

Town of Brookfield, Connecticut



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

**TOWN OF BROOKFIELD,
CONNECTICUT**

Fiscal Year Ended June 30, 2015

Prepared by:

Finance Department

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Introductory Section

**TOWN OF BROOKFIELD
OFFICE OF THE FIRST SELECTMAN**

Stephen C. Dunn
First Selectman



100 Pocono Road
Brookfield, CT 06804

April 20, 2016

To: The Citizens of the Town of Brookfield, Connecticut

The State of Connecticut under Sec. 7-392 of the General Statutes requires all municipalities to conduct an annual audit of their financial statements. The objective of such audits is to provide reasonable (rather than absolute) assurance that the town's financial statements are free of any material misstatements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2015, and the Town's financial statements so dated.

The report of our independent auditor (RSM US LLP) is included at the front of the financial statements section.

PROFILE OF BROOKFIELD TOWN GOVERNMENT

The Town was incorporated in 1788 under statutes of the State of Connecticut. The Town, located in Fairfield County in western Connecticut, encompasses an area of 19.8 square miles with an estimated current population of 16,500 residents. The Town is empowered by state statute to levy property tax on real and personal property including vehicles located within its boundaries.

The Town has a Town Meeting form of government, with a three member Board of Selectmen elected to two-year terms, a six member Board of Finance elected to four year staggered terms, and a seven member Board of Education elected to four year staggered terms. Elections are held biennially in November in odd numbered years. The legislative body also has the power and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town who oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges. The First Selectman is also an ex-officio member of the Board of Finance and has the authority to cast a vote to break a tie.

The Board of Finance is responsible for proposing annual budgets and for approving special appropriations requested by the Board of Selectmen. The Board of Finance is also responsible for the supervision of the annual independent audit. Brookfield's professional staff includes a Town Controller. The Town Controller is responsible for the coordination of the activities of the accounting staff; the maintenance of the general ledgers of the various funds and account groups of the Town, financial planning, cost accounting, and financial report preparation. An elected, part-time Treasurer is the agent of the Town's deposit funds.

The Board of Education is a legal body created by the statutes of the State of Connecticut with the responsibility to establish, implement and appraise the educational activities of the Town and having full oversight over all school expenditures.

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Current Term Expires
First Selectman	Stephen C. Dunn	Elected	December 2017
Treasurer	John T. Lucas	Appointed	December 2019
Chairman, Board of Finance	Robert Gianazza	Elected	December 2017
Chairman, Board of Ed	Robert Belden	Elected	December 2017
Superintendent of Schools	John W. Barile Jr.	Appointed	employment contract

SUMMARY OF MUNICIPAL SERVICES

Police:

The Town maintains a police force with an authorized strength of 31 officers and 3 special officers (Chief, Major and Captain). There are also 8 full-time dispatchers. The department operates with a fleet of vehicles that includes a mobile crime scene emergency vehicle; the patrol vehicles have on-board computers.

The police department also maintains a response dive team, and emergency dive boat.

Fire:

The Town Volunteer Fire Departments consist of 120 volunteer firemen and emergency service personnel. Two fire stations are strategically located within the Town. The current 2014-2015 Town Budget includes funding to assist in the operations of the Volunteer Fire Departments. In addition, the Departments conduct an annual fund-raising drive that generates donations of approximately \$150,000 - \$200,000.

Parks and Recreation:

The Town has recreation facilities both active and passive. These include ten parks, eighteen ball fields, a nine-hole public golf course, tennis/basketball courts, a YMCA that includes a 50 meter pool and wellness center, and numerous picnic areas. Candlewood Lake, the largest fresh water lake in Connecticut, forms the western border of the Town. Lake Lillinonah, another large lake, forms the eastern border. Both lakes offer swimming, boating and fishing facilities.

The Parks Department maintains, on a year-round basis, over 725 acres of municipal land which includes parks, ball fields, school grounds, a municipal complex, a police station, two fire stations, a library and several traffic islands. The Department has four full-time employees who are supplemented with year-round independent contractors and seasonal summer employees.

Library:

In addition to providing library services in each school, the Town maintains a public library. The library staff includes five full-time professional librarians and six part-time assistants, supported by a staff of assistant librarians, clerks and staff aids.

Sewers:

The Town of Brookfield has an inter-municipal agreement with the City of Danbury for the treatment of wastewater that is generated in Brookfield. Payments to the City provide for the Town's share of the costs for the operation, maintenance and capital improvements of the regional plant. The Brookfield Water Pollution Control Authority (WPCA) operates as a self-sustaining enterprise fund within the Town of Brookfield. Sewer customers are assessed for all costs associated with the operation and financing of the WPCA. The sewer system is positioned to handle commercial and industrial growth anticipated for the next decade or more.

Solid Waste:

The Town of Brookfield is a member of the Housatonic Resources Recovery Authority (HRRA), which is the regional municipal solid waste (MSW) and recycling management organization for the Housatonic Valley municipalities of Bethel, Bridgewater, Brookfield, Danbury, Kent, New Fairfield, New Milford, Newtown, Redding, Ridgefield, and Sherman. Solid waste from HRRA municipalities is taken to one of three regional transfer stations operated by Wheelabrator Environmental System, Inc. (WES) in Danbury, Newtown or Ridgefield. From these three regional transfer stations, MSW is trucked to one of two resource recovery facilities in Bridgeport or Lisbon, CT or taken to other legally permitted WES disposal sites outside Connecticut.

TOWN EMPLOYEES

The following table illustrates the permanent full-time Town employees for the last five fiscal years:

Fiscal Year	2014-15	2013-14	2012-13	2011-12	2010-11
General Government	105	104	101	101	101
Board of Education	383	382	381	383	383
Total	488	486	482	484	484

The Town's budget procedure is governed by local Charter which provides a detailed schedule of input from department heads, elected officials (Boards of Selectmen, Finance and Education) and the public culminating in a Town-wide referendum in May. The budget is prepared by function and department. Department heads may transfer resources within a department as required. Transfers between departments, however, need special approval from the Boards of Selectmen and Finance. Debt financing in excess of \$1million requires approval by referendum.

LOCAL ECONOMY

Brookfield is fortunate to be located in close proximity to the greater New York business centers. Brookfield's employment base is not located within the greater Brookfield area but in areas of the lower Fairfield County of Connecticut, Westchester County in New York and in the New York City business environment.

The area supports medium to small technology-based companies which blend with the Town's Plan of Development. It has a number of financial institutions and warehouse distribution centers. The Town's economy is diverse with retail and services being the lead components.

While the region is not immune to the economic slowdown impacting the broader economy, the Town is taking action to mitigate its impact. Recent investments in improvements to infrastructure such as road maintenance, and expansion of public water, fire suppression and sewer lines, have promoted expansion by local business as well as attracted new investment by the business community into the Town's central business area. Brookfield's position as a major regional retail shopping area was enhanced during 2013 with the expansion and modernization of a Costco warehouse store and the new construction of a BJ's warehouse store. In addition, the Town has invested in plans for development of a 198-acre Town Center District, which is anticipated to be a New England-style pedestrian-friendly mixed-use residential and retail area. A number of apartments are new completion in the District, and a major private investor will begin construction of a mixed-use project during the summer of 2015.

The Town, with its close proximity to the New York labor market, continues to enjoy a solid employment base. Per capita earnings are very favorable in comparison to the national and state averages.

	Town of Brookfield	State of Connecticut
Per Capita Income, 2011	\$ 48,277	\$ 37,892
Per Capita Income, 1999	\$ 49,705	\$ 35,078
Per Capita Income, 1989	\$ 37,063	\$ 28,766
Median Family Income, 2011	\$ 125,947	\$ 87,245
Median Family Income, 1999	\$ 127,617	\$ 81,246
Median Family Income, 1989	\$ 91,206	\$ 65,521

Percent Below Poverty Level, 2011	0.7%	7.3%
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*Source: U.S. Department of Commerce, Bureau of Census, 2000, 1990;
U.S. Census Bureau, 2009-2013 American Community Survey.*

Unemployment in the Town remains below the State average.

MAJOR INITIATIVES

Several projects are indicative of the town's investment in the future.

- Municipal Water Supply - The Southern Commercial district of the Town continues to enjoy a strong level of development. Municipal water supply to this area is now complete.
- Town Center Development - The Town has begun a long-term redevelopment project for the area historically known as the "4 Corners". The intention of this effort is to establish a Town Center Business District. This project is driven primarily by private investment. The Town, augmented by State of CT STEAP (Small Town Economic Assistance Program) grants, is contributing to the development of the area streetscape.
- Road paving program - In 2010, the Town approved an appropriation of \$10,000,000 for a paving program to upgrade its roads and drainage. The project is complete. It used long term financing (General Obligation Bonds) to fund the appropriation. In future years, the Town plans to spend approximately \$1.5 million each year to maintain its roads. It is planned to achieve full annual operating budget support of that amount by 2020.
- Recreational Facility Improvements - Several projects are in various stages of implementation:
 - The Still River Greenway (Biking and Pedestrian path) has achieved final State and Federal environmental approval. Total cost of the project is estimated at \$2.4 million. The project will be funded by Federal and State Grants (80%) and Local Funds (20%). Local funding has been approved. Construction will be completed in the spring of 2016.
 - Parks Revitalization Program- In September 2013, voters approved a \$5.3 million appropriation for updates to the Town Park Beach on Candlewood Lake, and for improvements at Cadigan Park. A \$750,000 state grant was awarded to off-set part of the cost. The balance will be financed using general obligation bonds. The project was completed in the summer of 2015.

RELEVANT FINANCIAL POLICIES

Long Range Financial Planning and Debt Management

- Town Boards of Selectmen, Finance, and Education have agreed to the need for developing a long term capital and maintenance needs assessment. It will be used as a priority planning tool for meeting investment needs and the management of Long Term Debt. As a part of this effort, the Board of Education has begun the demographic analysis needed to take a fresh look at school facilities in the context of flat to declining school enrollment.
- The Town has a self-imposed debt limit policy.
- Retirement Benefits Advisory Committee (RBAC) – in addition to the significant progress made toward full funding of our Pension obligations, the committee has begun discussing steps to fund the town's OPEB (Other Post- Employment Benefits) liability. A formal policy is now in place, and an OPEB trust account has been established.
- Plan of Conservation and Development – The Planning Commission has completed a 10 -year Plan of Conservation of Development in 2015.

AWARDS AND ACKNOWLEDGEMENTS

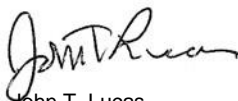
The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Brookfield for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2014. The Town has received this award every year it has applied. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The preparation of this report could not have been accomplished without the dedication and hard work of the entire staff of the Finance Department. We would like to express our appreciation and gratitude to all members of that department who assisted and contributed to its preparation. We also appreciate the assistance and dedication of the audit team from RSM US LLP.

Respectfully submitted,



Stephen C. Dunn
First Selectman



John T. Lucas
Town Treasurer



Robert Gianazza
Chairman, Board of Finance

Town of Brookfield, Connecticut
Organizational Chart
June 30, 2015

* = Appointed by the Board of Selectmen - Statutory

** = Appointed by the Board of Selectmen - Charter

*** = Hired by the First Selectman/Approved by BOS

Elected Officials						
Registrars		Town Clerk	First Selectman	Board of Selectmen	Treasurer	
Board of Education	Board of Finance	Planning Commission	Zoning Commission	Zoning Board Of Appeals	Board of Assessment Appeals	

Department Heads***					
Executive Assistant	Director of Finance**	Director of Operations/HR	Assessor*	Tax Collector*	Director of Public Works** And Engineering
Chief of Police**	Building Official*	Parks & Recreation Director**	Community-Senior Center Director	Social Services Director and Municipal Agent for the Elderly*	Library Director

Appointed Officers***		
Fire Marshal*/ Director of Civil Preparedness*	Sanitarian*	Land Use Enforcement Officer**/ Erosion & Sedimentation Ctrl Officer**/ Wetlands Enforcement Officer**/ Zoning Enforcement Officer**

Appointed Officers (Non-employees)			
Director of Health*	Municipal Historian**	Town Attorney**	Tree Warden*

Boards and Commissions Appointed by the Board of Selectmen							
Arts Commission	Board of Ethics	Candlewood Lake Authority	Commission on Aging	Conservation Commission	Economic Development Commission	Historic District Commission	Housing Authority
Housing Partnership Task Force	Inland/Wetlands Commission	Lake Lillinonah Authority	Library Board of Trustees	Municipal Board of Appeals	Municipal Building Committee	Parks & Recreation Commission	
	Police Commission	Water Pollution Control Authority	Youth Commission				

**TOWN OF BROOKFIELD, CONNECTICUT
PRINCIPAL TOWN OFFICIALS
AS OF JANUARY 5, 2016**

TOWN MEETING - BOARD OF SELECTMEN FORM OF GOVERNMENT

First Selectman

Stephen C. Dunn

Board of Selectmen

Martin Flynn
Sue Slater

Chairman, Board of Finance

Robert Gianazza

Town Clerk

Joan Locke

Treasurer

John Lucas

Superintendent of Schools

John W. Barile, Jr.

Department Heads

Town Controller

Bill Leverage

Assessor

Denise Hames

Director of HR

Fern Smenyak
Tax Collector
Roberta Sinatra

Director of Public Works/ Town

Engineer

Ralph Tedesco

Parks, Recreation &

Senior Center

Dennis DiPinto

Chief of Police

Robin Montgomery

Building Official

Demetrio Parpana

Community/Senior Center

Director

Ellen Melville

Library Director

Anita Barney

Town Attorney

Thomas Beecher - Collins
Hannafin, P.C.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Brookfield
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emswiler".

Executive Director/CEO

Financial Section

Independent Auditor's Report

RSM US LLP

To the Board of Finance
Town of Brookfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Brookfield, Connecticut (the Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brookfield, Connecticut as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Notes 1 and 13 in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which resulted in the Town restating net position for recognition of the Town's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the other post-employment schedules, the pension related schedules and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
April 20, 2016

**TOWN OF BROOKFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Unaudited
JUNE 30, 2015**

The management of the Town of Brookfield, Connecticut (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,077,973 (net position). Of this amount, \$47,011,715 represents the Town's net investment in capital assets leaving an unrestricted deficit of \$(3,667,200) as of June 30, 2015. This deficit is primarily caused by liabilities relating to the Town's pension plan and other post-employment benefits plan totaling \$20,000,218 as of June 30, 2015.
- As of July 1, 2014, the Town was required to implement GASB Statement No. 68 related to pensions. This Statement required that the unrestricted net position of the government-wide financial statements as of July 1, 2014 be restated and increased in the amount of \$3,299,062. The increase did not result from a change in benefits offered to employees, only the presentation of the liability on the balance sheet of the government-wide financial statements.
- The Town's total net position decreased by \$(1,003,832) during the current fiscal year, which consisted of a decrease of \$(155,368) relating to the Town's governmental activities and a decrease of \$(848,464) relating to the Town's business-type activities. The decrease in the business-type activities of \$848,464 is primarily attributed to the Water Pollution Control Authority abatement of certain benefit assessments.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance (deficit) of \$(1,757,365), a decrease of \$3,861,891 in comparison with the prior year. The primary cause of the decrease in the combined ending fund balance was due to a decrease of \$2,605,495 in the Bonded Projects Fund, which resulted from the use of short-term financing to fund current year capital outlays.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$3,746,890, 6.1% of total General Fund budgetary expenditures. The unassigned fund balance decreased \$(643,720) over the previous year primarily due to the operating transfer out to the Bonded Projects fund during the fiscal year for completed unbonded projects.
- The Town's total long-term and short-term bonded debt (general obligation bonds, bond anticipation notes and notes payable) increased by \$2,973,425 during the current fiscal year due to bond anticipation notes that were issued during the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The provides the following services as authorized by its charter: public safety, public works, recreation and leisure, education encompassing kindergarten through 12th grade, human and regional services, a public library, water and sewer, and other programs not included in the above. The business-type activities of the Town include the operation of the Water Pollution Control Authority.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Bonded Projects Fund and the Water Assessment Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the operations of the Water Pollution Control Authority. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found in the required supplementary information of this report.

Government-Wide Financial Analysis Net Position

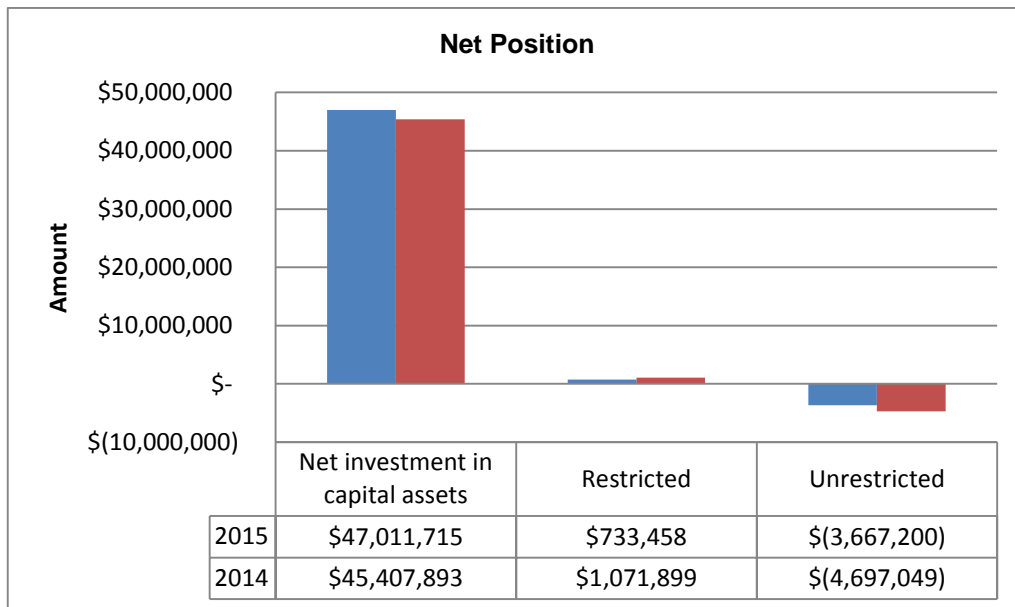
Over time, net position may serve as one measure of a government's financial position. Total net position of the Town (governmental and business type activities combined) totaled \$44,077,973 and \$41,782,743 as of June 30, 2015 and 2014 and are summarized as follows:

Table 1
Summary Statement of Net Position

	2015		
	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 14,762,852	\$ 8,824,393	\$ 23,587,245
Capital assets	86,987,295	13,044,097	100,031,392
Total assets	101,750,147	21,868,490	123,618,637
Pension related items	952,016	-	952,016
Deferred amounts on refunding	1,159,392	-	1,159,392
Total deferred outflows of resources	2,111,408	-	2,111,408
Other liabilities	13,058,700	4,750,881	17,809,581
Long-term liabilities	59,220,666	4,142,086	63,362,752
Total liabilities	72,279,366	8,892,967	81,172,333
Pension related items	317,328	-	317,328
Advance tax collections	162,411	-	162,411
Total deferred inflows of resources	479,739	-	479,739
Net Position:			
Net investment in capital assets	41,150,924	5,860,791	47,011,715
Restricted	-	733,458	733,458
Unrestricted	(10,048,474)	6,381,274	(3,667,200)
Total net position	\$ 31,102,450	\$ 12,975,523	\$ 44,077,973

Table 1
Summary Statement of Net Position

	2014		
	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 10,450,337	\$ 10,757,233	\$ 21,207,570
Capital assets	82,832,179	11,565,686	94,397,865
Total assets	93,282,516	22,322,919	115,605,435
Deferred amounts on refunding	858,749	-	858,749
Total deferred outflows of resources	858,749	-	858,749
Other liabilities	4,739,829	4,017,513	8,757,342
Long-term liabilities	60,945,652	4,481,419	65,427,071
Total liabilities	65,685,481	8,498,932	74,184,413
Advance tax collections	497,028	-	497,028
Total deferred inflows of resources	497,028	-	497,028
Net Position:			
Net investment in capital assets	41,445,707	3,962,186	45,407,893
Restricted	-	1,071,899	1,071,899
Unrestricted	(13,486,951)	8,789,902	(4,697,049)
Total net position	\$ 27,958,756	\$ 13,823,987	\$ 41,782,743



A significant portion of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the Town's net position is subject to external restrictions on how they may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position consists of an unrestricted deficit. This deficit is primarily caused by liabilities relating to the Town's pension plan and other post-employment benefits plan totaling \$20,000,218 and \$20,162,268 as of June 30, 2015 and 2014, respectively.

The Town's overall net position decreased by \$(1,003,832) in comparison with the prior year.

Changes in Net Position

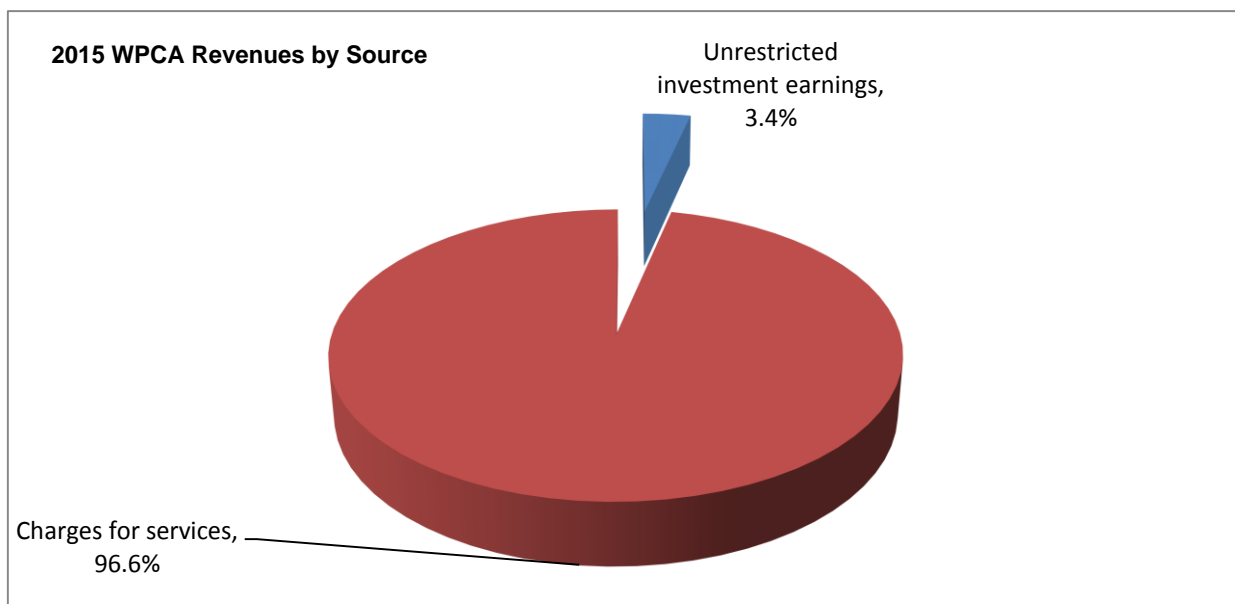
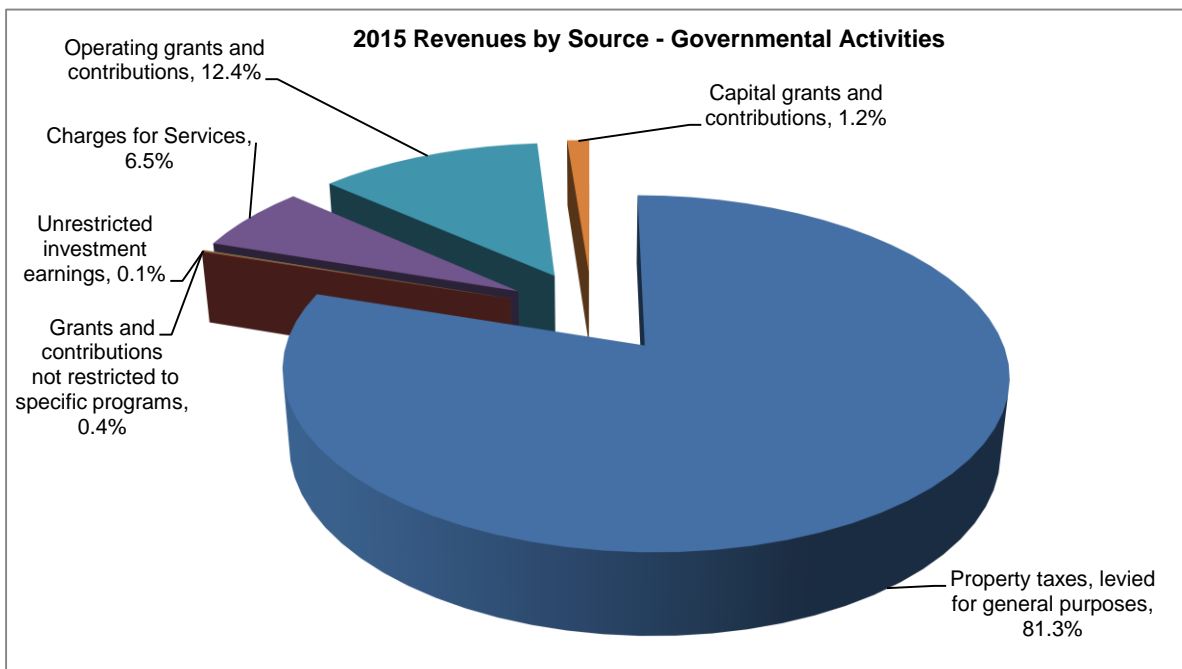
Changes in net position for the years ended June 30, 2015 and 2014 are as follows:

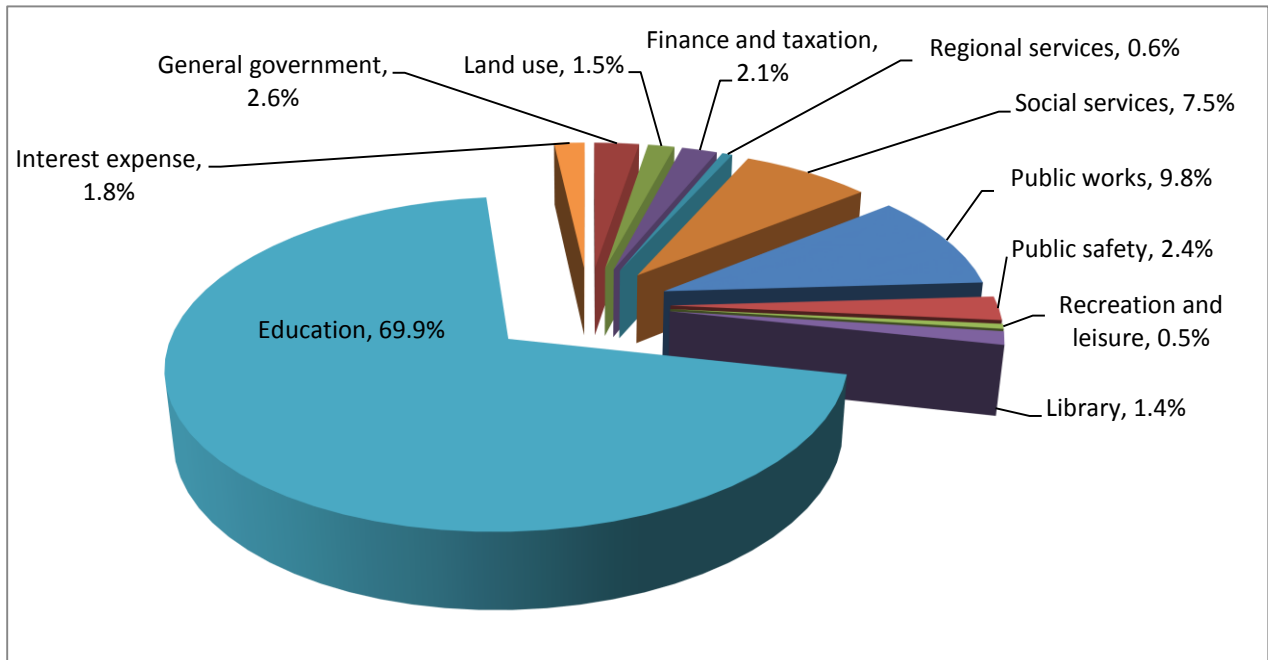
Table 2
Summary Statement of Changes in Net Position

	2015		
	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 3,301,644	\$ 1,253,162	\$ 4,554,806
Operating grants and contributions	8,709,418	-	8,709,418
Capital grants and contributions	863,240	-	863,240
General revenues:			
Property taxes, levied for general purposes	57,009,351	-	57,009,351
Grants and contributions not restricted to specific programs	73,565	-	73,565
Unrestricted investment earnings	8,382	44,663	53,045
Miscellaneous	195,581	-	195,581
Total revenues	70,161,181	1,297,825	71,459,006
Expenses			
General government	1,826,188	-	1,826,188
Land use	1,082,727	-	1,082,727
Finance and taxation	1,446,100	-	1,446,100
Regional services	418,039	-	418,039
Public works	5,249,847	-	5,249,847
Public safety	6,893,613	-	6,893,613
Recreation and leisure	1,716,604	-	1,716,604
Social services	356,468	-	356,468
Library	954,604	-	954,604
Education	49,130,114	-	49,130,114
Water pollution control authority	-	2,146,289	2,146,289
Interest expense	1,242,245	-	1,242,245
Total expenses	70,316,549	2,146,289	72,462,838
Change in net position	(155,368)	(848,464)	(1,003,832)
Net Position, beginning, as restated (Note 13)	31,257,818	13,823,987	45,081,805
Net Position, ending	\$ 31,102,450	\$ 12,975,523	\$ 44,077,973

Table 2
Summary Statement of Changes in Net Position

	2014		
	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 3,224,718	\$ 2,841,189	\$ 6,065,907
Operating grants and contributions	8,968,295	-	8,968,295
Capital grants and contributions	403,880	-	403,880
General revenues:			
Property taxes, levied for general purposes	55,569,727	-	55,569,727
Grants and contributions not restricted to specific programs	166,529	-	166,529
Unrestricted investment earnings	15,868	2,426	18,294
Miscellaneous	188,114	-	188,114
Total revenues	68,537,131	2,843,615	71,380,746
Expenses			
General government	1,845,178	-	1,845,178
Land use	1,087,449	-	1,087,449
Finance and taxation	1,388,823	-	1,388,823
Regional services	404,441	-	404,441
Public works	4,623,746	-	4,623,746
Public safety	6,784,987	-	6,784,987
Recreation and leisure	1,655,741	-	1,655,741
Social services	349,892	-	349,892
Library	930,408	-	930,408
Education	48,992,578	-	48,992,578
Water pollution control authority	-	1,284,431	1,284,431
Interest expense	1,078,372	-	1,078,372
Total expenses	69,141,615	1,284,431	70,426,046
Change in net position	(604,484)	1,559,184	954,700
Net Position, beginning	28,563,240	12,264,803	40,828,043
Net Position, ending	\$ 27,958,756	\$ 13,823,987	\$ 41,782,743





The Town's total net position decreased by \$(1,003,832) during the current fiscal year, which consisted of a decrease of \$(155,368) relating to the Town's governmental activities and a decrease of \$(848,464) relating to the Town's business-type activities.

The decrease in the governmental activities is primarily attributed the addition of the school construction claim liability of \$900,000. This liability was added as a result of the final audit finding for allowable grant expenses as determined by the State of Connecticut dated September 8, 2015. It is anticipated that this liability will be addressed in the 2015-16 Fiscal Year.

The decrease in the business-type activities is primarily attributed to a decrease in total revenues of \$1,545,790 offset by an increase in total expenses of \$861,858.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit of \$(1,757,365) which includes an unassigned deficit of \$(4,890,810). The overall deficit has been generated by the use of unrestricted cash and short-term financing to fund capital projects. The Town expects to fund the deficit through future grant reimbursements, future transfers from the General Fund and/or the issuance of long-term debt.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,746,890. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 6.1% of total General Fund budgetary expenditures. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover about one month of General Fund operating expenditures.

The fund balance of the General Fund decreased by \$1,018,500 during the current fiscal year.

Bonded Projects Fund

The deficit fund balance of the Bonded Projects Fund increased by \$2,605,495 during the current fiscal year from a deficit of \$6,030,525 to a deficit of \$8,636,020. The overall deficit has been generated by the use of unrestricted cash and short-term financing to fund capital projects. The Town expects to fund the deficit through future grant reimbursements, future transfers from the General Fund and/or the issuance of long-term debt.

Water Assessment Fund

The fund balance of the Water Assessment Fund decreased by \$(399,566) from \$848,382 to \$448,816. The fund balance of the Water Assessment Fund is committed for the purpose of repaying long-term debt.

General Fund Budgetary Highlights

The original budget did not plan for the use of fund balance. The final adopted budget included an operating transfer out to the Bonded Projects fund for unbonded completed capital projects. Actual revenues including other financing sources came in at \$142,486 or .24% higher than budgeted, actual expenditures came in \$760,794 or 1.26% lower than budgeted. There were no significant budgetary variances that resulted in the current year budgetary surplus of \$903,280.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2015 totaled \$100,031,392 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure, including roads and sewer lines. The total increase in the Town's investment in capital assets for the current fiscal year was \$5,633,527. This increase consisted of capital asset additions of \$8,514,013 offset by depreciation expense of \$2,804,438. Major capital asset events during the current fiscal year consisted of the following:

- Construction in progress –Water - Del Mar Drive Water,- South Federal Road, Road Improvements, Huckleberry Hill Roof, Four Corners Development, Town Beach Multi- Purpose Building Expense, Cadigan Park Construction and Revitalization Expense ,BVFD-Replacement of Heating System-Expense, DPW - Heating System -Conversion to Gas Heat Expense, Public Works - Library Lighting, Heating and Bathroom renovations, Public Works Town Hall - replace windows, HVAC, Carpet, Historical Society - Building Repairs and Still River Greenway
- Building expense-2014-15 (BHS, WMS CES) Video surveillance systems District -Funding for continued security enhancements focused on video surveillance systems District, demolition of the PTAK house.
- Vehicle additions and disposals in general government, public safety, parks and recreation and public works.

- Machinery and equipment additions in general government, public safety, parks and recreation and public works.
- Road improvements town-wide from 2014-15.

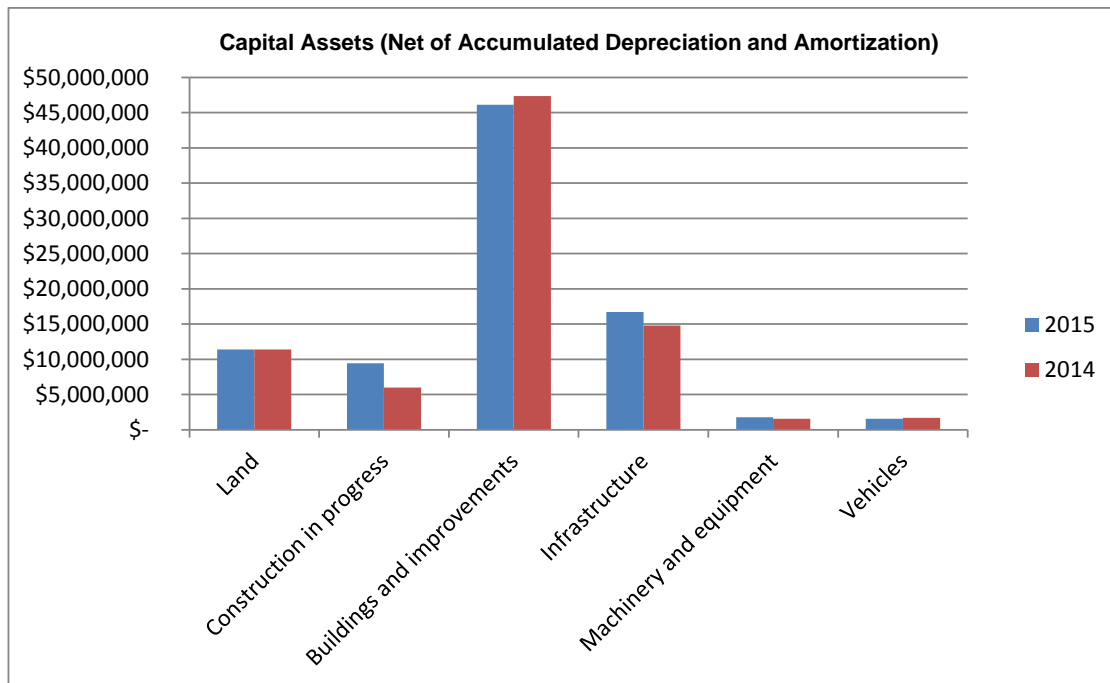
The following are tables of the investment in capital assets presented for both governmental and business- type activities:

Table 3
Capital Assets, Net

	2015		
	Governmental Activities	Business-Type Activities	Total
Land	\$ 11,401,619	\$ -	\$ 11,401,619
Construction in progress	9,444,956	1,869,766	11,314,722
Buildings and improvements	46,116,553	2,501,349	48,617,902
Infrastructure	16,701,069	8,074,355	24,775,424
Machinery and equipment	1,771,879	505,776	2,277,655
Vehicles	1,551,219	92,851	1,644,070
Total	<u>\$ 86,987,295</u>	<u>\$ 13,044,097</u>	<u>\$ 100,031,392</u>

Table 3
Capital Assets, Net

	2014		
	Governmental Activities	Business-Type Activities	Total
Land	\$ 11,401,619	\$ -	\$ 11,401,619
Construction in progress	5,997,372	288,684	6,286,056
Buildings and improvements	47,350,881	2,558,675	49,909,556
Infrastructure	14,814,672	8,117,933	22,932,605
Machinery and equipment	1,567,090	522,300	2,089,390
Vehicles	1,700,545	78,094	1,778,639
Total	<u>\$ 82,832,179</u>	<u>\$ 11,565,686</u>	<u>\$ 94,397,865</u>



Additional information on the Town's capital assets can be found in Note 3 on pages 39 - 40 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of \$38,568,306, consisting of general obligation bonds and notes payable. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long-term bonded debt decreased by \$2,676,575 or 6.5% during the current fiscal year. During the year the Town issued \$5,510,000 of general obligation refunding bonds with an average interest rate of 3.4%, of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated 2010 and 2013. The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$391,840, and a cash savings of \$538,868 between the old debt payments and the new debt payments.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following are tables of long-term bonded debt:

Table 4 Long-Term Debt 2015			
	Governmental Activities	Business-Type Activities	Total
Bonds payable	\$ 34,435,000	\$ 1,215,000	\$ 35,650,000
Notes payable	-	2,918,306	2,918,306
Total	\$ 34,435,000	\$ 4,133,306	\$ 38,568,306

Table 4 Long-Term Debt 2014			
	Governmental Activities	Business-Type Activities	Total
Bonds payable	\$ 36,085,000	\$ 1,395,000	\$ 37,480,000
Notes payable	681,381	3,083,500	3,764,881
Total	\$ 36,766,381	\$ 4,478,500	\$ 41,244,881

Additional information on the Town's long-term debt can be found in Note 7 on pages 43 - 47 of this report.

Economic Factors and Next Year's Budgets and Rates

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town for June 2015 was 5.2%, down from 5.5% in the prior year. This compares favorably to the state's average unemployment rate of and the national unemployment rate.
- During the current fiscal year, unassigned fund balance of the General Fund was \$3,746,890, which represents 6.1% of General Fund budgetary expenditures. The Town's current Fund Balance Policy establishes a minimum unassigned fund balance equal to 7.5% of total General Fund expenditures. The Town is in the process of developing a plan to increase the fund balance to over 10%.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2015, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income

The Town utilizes a five year financial plan that projects peaks and valleys of fund balance levels for each year and also determines the amount of expenditures that are affordable for the upcoming year's budget. The Town, in essence, backs into the expenditure increase percentage that is affordable for the upcoming budget using an analysis that allows the Town to review revenues, operating expenditures, debt service expenditures and capital outlays for five years into the future. For peak years of expenditures, the Town determines that revenues plus available surplus are adequate to meet these obligations without the need for spikes in the tax rates.

All of these factors were considered in preparing the Town's budget for fiscal year 2016.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller, Town of Brookfield, 100 Pocono Road, Brookfield, Connecticut 06804.

Basic Financial Statements

Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 10,047,112	\$ 2,217,089	\$ 12,264,201
Investments	476,409	-	476,409
Receivables:			
Property taxes, net of allowance for uncollectibles of \$140,000	829,659	-	829,659
Interest on property taxes, net of allowance for uncollectibles of \$66,000	166,962	-	166,962
Assessments and user charges	-	600,694	600,694
Grants and contracts	220,273	-	220,273
Other	477,413	144,512	621,925
Inventories	2,935	-	2,935
Prepaid expenses	-	72,077	72,077
Assessments receivable, long-term portion	2,542,089	4,236,226	6,778,315
Other receivables, long-term portion	-	87,893	87,893
Restricted cash and cash equivalents	-	1,465,902	1,465,902
Capital assets:			
Non-depreciable	20,846,575	1,869,766	22,716,341
Depreciable, net	66,140,720	11,174,331	77,315,051
Total assets	101,750,147	21,868,490	123,618,637
Deferred Outflows of Resources			
Pension related items	952,016	-	952,016
Deferred amounts on refunding	1,159,392	-	1,159,392
	2,111,408	-	2,111,408
Liabilities			
Accounts payable	2,876,332	-	2,876,332
Accrued liabilities:			
Salaries and benefits	297,349	-	297,349
Accrued interest	494,593	35,595	530,188
Other	736,299	285,399	1,021,698
Bond anticipation notes payable	8,230,000	3,050,000	11,280,000
Unearned revenue	246,029	635,584	881,613
Other liabilities	178,098	744,303	922,401
Noncurrent liabilities:			
Due within one year	4,994,245	310,108	5,304,353
Due in more than one year	54,226,421	3,831,978	58,058,399
Total liabilities	72,279,366	8,892,967	81,172,333
Deferred Inflows of Resources			
Pension related items	317,328	-	317,328
Advanced tax collections	162,411	-	162,411
	479,739	-	479,739
Net Position			
Net investment in capital assets	41,150,924	5,860,791	47,011,715
Restricted for permanent maintenance	-	733,458	733,458
Unrestricted (deficit)	(10,048,474)	6,381,274	(3,667,200)
Total net position	\$ 31,102,450	\$ 12,975,523	\$ 44,077,973

See Notes to Financial Statements.

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 1,826,188	\$ 610,496	\$ 501,564	\$ -	\$ (714,128)	\$ -	\$ (714,128)
Land use	1,082,727	559,033	-	-	(523,694)	-	(523,694)
Finance and taxation	1,446,100	-	-	-	(1,446,100)	-	(1,446,100)
Regional services	418,039	-	-	-	(418,039)	-	(418,039)
Public works	5,249,847	310,205	400,142	863,240	(3,676,260)	-	(3,676,260)
Public safety	6,893,613	617,090	8,305	-	(6,268,218)	-	(6,268,218)
Recreation and leisure	1,716,604	482,508	-	-	(1,234,096)	-	(1,234,096)
Social services	356,468	-	26,844	-	(329,624)	-	(329,624)
Library	954,604	13,796	-	-	(940,808)	-	(940,808)
Education	49,130,114	708,516	7,772,563	-	(40,649,035)	-	(40,649,035)
Interest expense	1,242,245	-	-	-	(1,242,245)	-	(1,242,245)
Total governmental activities	70,316,549	3,301,644	8,709,418	863,240	(57,442,247)	-	(57,442,247)
Business-type activities							
Water Pollution Control Authority	2,146,289	1,253,162	-	-	-	(893,127)	(893,127)
Total primary government	\$ 72,462,838	\$ 4,554,806	\$ 8,709,418	\$ 863,240	(57,442,247)	(893,127)	(58,335,374)
General revenues:							
Property taxes, levied for general purposes					57,009,351	-	57,009,351
Grants and contributions not restricted to specific programs					73,565	-	73,565
Unrestricted investment earnings					8,382	44,663	53,045
Miscellaneous					195,581	-	195,581
Total general revenues					57,286,879	44,663	57,331,542
Change in net position					(155,368)	(848,464)	(1,003,832)
Net position - beginning, as restated (Note 13)					31,257,818	13,823,987	45,081,805
Net position - ending					\$ 31,102,450	\$ 12,975,523	\$ 44,077,973

See Notes to Financial Statements.

Balance Sheet - Governmental Funds
June 30, 2015

	General Fund	Bonded Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,422,472	\$ 2,412,268	\$ 151,015	\$ 1,993,680	\$ 8,979,435
Investments	476,409	-	-	-	476,409
Receivables:					
Property taxes, net of allowance for uncollectibles of \$140,000	829,659	-	-	-	829,659
Interest on property taxes, net of allowance for uncollectibles of \$66,000	166,962	-	-	-	166,962
Assessments	-	-	2,542,089	-	2,542,089
Grants and contracts	209,402	-	-	10,871	220,273
Other	53	477,360	-	-	477,413
Due from other funds	2,119,987	-	297,801	377,506	2,795,294
Inventories	-	-	-	2,935	2,935
Total assets	\$ 8,224,944	2,889,628	2,990,905	\$ 2,384,992	\$ 16,490,469
Liabilities					
Accounts payable	977,323	1,160,432	-	714,432	2,852,187
Accrued liabilities:					
Salaries and benefits	297,349	-	-	-	297,349
Other	22,365	91,629	-	22,905	136,899
Bond anticipation notes payable	-	8,230,000	-	-	8,230,000
Due to other funds	677,866	2,043,587	-	106,041	2,827,494
Unearned revenue	-	-	-	246,029	246,029
Total liabilities	1,974,903	11,525,648	-	1,089,407	14,589,958
Deferred Inflows of Resources					
Unavailable revenue- advance tax collections	162,411	-	-	-	162,411
Unavailable revenue	953,376	-	2,542,089	-	3,495,465
Total deferred inflows of resources	1,115,787	-	2,542,089	-	3,657,876
Fund Balances (Deficits)					
Nonspendable - inventories	-	-	-	2,935	2,935
Restricted	-	-	-	39,257	39,257
Committed	1,387,364	-	448,816	1,255,073	3,091,253
Unassigned	3,746,890	(8,636,020)	-	(1,680)	(4,890,810)
Total fund balances (deficit)	5,134,254	(8,636,020)	448,816	1,295,585	(1,757,365)
Total liabilities, deferred inflows of resources and fund balances (deficit)					
	\$ 8,224,944	\$ 2,889,628	\$ 2,990,905	\$ 2,384,992	\$ 16,490,469

See Notes to Financial Statements.

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015**

Total Fund Balances for Governmental Funds	\$	(1,757,365)
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Land	\$	11,401,619
Construction in progress		9,444,956
Buildings and improvements		65,596,502
Infrastructure		26,330,577
Machinery and equipment		5,451,264
Vehicles		4,468,065
Less accumulated depreciation and amortization		(35,705,688)
Total capital assets, net		86,987,295
Net deferred outflows (inflows) due to the net pension liability		634,688
Some of the Town's taxes and assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and are, therefore, reported as deferred inflows of resources in the funds.		
		3,495,465
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(494,593)	
Other liabilities	(178,098)	
Long-term debt:		
Bonds and notes payable	(34,435,000)	
Unamortized premiums	(2,223,123)	
Obligations under capital lease	(847,875)	
Net pension obligation	(1,041,372)	
Net OPEB obligation	(18,958,846)	
Deferred amounts on refunding	1,159,392	
Other long-term liabilities:		
Compensated absences	(652,450)	
Claims and judgements	(900,000)	
Early retirement	(162,000)	
Total long-term liabilities		(58,733,965)
Internal service funds are used by management to change the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.		
		476,332
Net Position of Governmental Activities	\$	31,102,450

See Notes to Financial Statements.

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Bonded Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 56,899,846	\$ -	\$ -	\$ -	\$ 56,899,846
Intergovernmental	6,750,156	863,240	-	2,088,912	9,702,308
Charges for services	986,082	-	268,944	1,912,395	3,167,421
Contributions and other	395,424	-	-	121,663	517,087
Investment income	7,317	1,982	-	(917)	8,382
Total revenues	65,038,825	865,222	268,944	4,122,053	70,295,044
Expenditures					
Current:					
General government	712,578	-	468,983	585,885	1,767,446
Land use	729,774	-	-	-	729,774
Finance and taxation	1,010,098	-	-	-	1,010,098
Regional services	299,506	-	-	-	299,506
Human resources	4,655,123	-	-	-	4,655,123
Public works	2,797,598	-	-	-	2,797,598
Public safety	4,292,050	-	-	487,516	4,779,566
Recreation and leisure	749,688	-	-	479,451	1,229,139
Social services	201,153	-	-	26,484	227,637
Library	653,516	-	-	-	653,516
Education	43,046,911	-	-	2,157,802	45,204,713
Debt service:					
Principal payments	3,016,530	-	278,073	-	3,294,603
Interest and fiscal charges	1,082,798	-	78,997	-	1,161,795
Capital outlay	1,016,560	5,017,717	-	1,087,998	7,122,275
Total expenditures	64,263,883	5,017,717	826,053	4,825,136	74,932,789
Excess (deficiency) of revenues over expenditures	774,942	(4,152,495)	(557,109)	(703,083)	(4,637,745)
Other Financing Sources (Uses)					
Proceeds from bond refunding	-	-	5,510,000	-	5,510,000
Premium on bond issuance	-	-	23,641	-	23,641
Payment to escrow	-	-	(5,376,098)	-	(5,376,098)
Capital Lease financing	-	-	-	618,311	618,311
Transfers in	952,794	1,547,000	-	557,069	3,056,863
Transfers out	(2,746,236)	-	-	(310,627)	(3,056,863)
Total other financing sources (uses)	(1,793,442)	1,547,000	157,543	864,753	775,854
Net change in fund balances (deficits)	(1,018,500)	(2,605,495)	(399,566)	161,670	(3,861,891)
Fund Balances (Deficits), Beginning	6,152,754	(6,030,525)	848,382	1,133,915	2,104,526
Fund Balances (Deficits), Ending	\$ 5,134,254	\$ (8,636,020)	\$ 448,816	\$ 1,295,585	\$ (1,757,365)

See Notes to Financial Statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015**

Net change in fund balances (deficit) - total governmental funds \$ (3,861,891)

Total change in net position reported for governmental activities in the statement
of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense. The amount by which capital
outlays exceeded depreciation and amortization expense in the current period
is as follows:

Expenditures for capital assets	\$ 6,814,257	
Depreciation and amortization expense	(2,583,093)	
Net adjustment		4,231,164

The statement of activities reports losses arising from the disposal of existing
capital assets. Conversely, governmental funds do not report any gain or loss on the
disposal of capital assets. This amount represents the loss on disposal of capital
assets.

(76,048)

Changes in deferred outflows (inflows) relating to net pension liability

634,688

Net income of certain activities of internal service funds are reported with governmental activities

476,332

The issuance of long-term debt provides current financial resources to governmental
funds, while the repayment of principal on long-term debt consumes the current
financial resources of governmental funds. Neither transaction, however, has any
effect on net position. The net effect of these differences in the treatment of long-
term obligations is as follows:

Debt issued or incurred:

General obligation bonds and refunding bonds	(5,510,000)
Deferred premiums	(23,641)
Deferred charge on refunding	372,205
Capital lease financing	(618,311)

Principal repayments:

Bonds and notes payable	7,841,381
Amortization of bond premium	222,479
Amortization of deferred charge on refunding	(71,562)
Obligations under capital lease	463,566

Net adjustment

2,676,117

Under the modified accrual basis of accounting used in the governmental funds,
expenditures are not recognized for transactions that are not normally paid with
expendable available financial resources. In the statement of activities, however,
which is presented on the accrual basis, expenses and liabilities are reported
regardless of when financial resources are available. In addition, interest on long-term
debt is not recognized under the modified accrual basis of accounting until due,
rather than as it accrues. The net effect of such items is as follows:

Compensated absences	(74,538)	
Early retirement	162,000	
Accrued interest	(237,818)	
Claims and judgements	(900,000)	
Other liabilities	85,502	
Net pension liability	121,879	
Net OPEB obligation	(3,258,891)	
		(4,101,866)

Certain revenues reported in the statement of activities do not provide current financial
resources and, therefore, are reported as deferred inflows of resources in
governmental funds. This amount represents the change in deferred inflows of
resources.

(133,864)

Change in net position of governmental activities

\$ (155,368)

See Notes to Financial Statements.

Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Funds
Assets		
Cash and Cash Equivalents	\$ 2,217,089	\$ 1,067,677
Receivables		
User charges	165,583	-
Assessments	435,111	-
Interest and fees	54,307	-
Other receivable	90,205	-
Prepaid Expenses	72,077	-
Due from other funds	-	8,055
Total current assets	3,034,372	1,075,732
Noncurrent Assets		
Restricted cash and cash equivalents	1,465,902	-
Other receivables	87,893	-
Assessment receivables, less current portion	4,236,226	-
Capital assets:		
Non-depreciable	1,869,766	-
Depreciable, net	11,174,331	-
Total noncurrent assets	18,834,118	-
Total assets	21,868,490	1,075,732
Liabilities		
Current liabilities:		
Bond anticipation note payable	3,050,000	-
Risk management claims	-	599,400
Accrued liabilities:		
Accrued interest	35,595	-
Other	285,399	-
Unearned revenue	635,584	-
Bonds and note payable - current	308,528	-
Compensated absences - current	1,580	-
Total current liabilities	4,316,686	599,400
Noncurrent liabilities:		
Permanent maintenance deposits	39,428	-
Bonds and note payable	3,824,778	-
Compensated absences	7,200	-
Assessments credits liability	704,875	-
Total noncurrent liabilities	4,576,281	-
Total liabilities	8,892,967	599,400
Net position		
Net investment in capital assets	5,860,791	-
Restricted for permanent maintenance	733,458	-
Unrestricted	6,381,274	476,332
Total net position	\$ 12,975,523	\$ 476,332

See Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Funds
Operating Revenues		
Charges for services	\$ 1,218,296	\$ 9,330,359
Other income	34,866	-
Total operating revenues	1,253,162	9,330,359
Operating Expenses		
Claims	-	8,854,027
Personnel services	403,462	-
Capacity charges	302,500	-
Depreciation	221,345	-
Professional services	104,856	-
Utilities	72,603	-
Assessment Credit	704,875	-
Equipment, repairs and maintenance	152,046	-
Administration	25,267	-
Office supplies	3,551	-
Total operating expenses	1,990,505	8,854,027
Operating (loss) income	(737,343)	476,332
Nonoperating Income (Expense)		
Interest income	44,663	-
Interest expense	(155,784)	-
Total nonoperating expense	(111,121)	-
Change in net position	(848,464)	476,332
Net Position, beginning	13,823,987	-
Net Position, ending	\$ 12,975,523	\$ 476,332

See Notes to Financial Statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2015**

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
Cash Flows From Operating Activities		
Cash received for the following:		
Charges for services	\$ 1,913,529	\$ 9,330,359
Other income	120,368	-
Cash paid for the following:		
Personnel services	(331,470)	(8,254,627)
Capacity charges	(302,500)	-
Professional services	(104,856)	-
Utilities	(72,603)	-
Equipment, repairs and maintenance	(210,472)	-
Administration	(25,267)	-
Other income	(3,551)	-
Net cash provided by operating activities	983,178	1,075,732
Cash Flows From Noncapital Financing Activities		
Decrease in due from other funds, net	-	(8,055)
Net cash used in financing activities	-	(8,055)
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(1,699,756)	-
Interest paid on capital debt	(160,180)	-
Proceeds received on bond anticipation notes	(75,000)	-
Principal paid on capital debt	(345,194)	-
Net cash used in capital and related financing activities	(2,280,130)	-
Cash Flows From Investing Activities		
Interest income	44,663	-
Net cash provided by investing activities	44,663	-
Net (decrease) increase in cash and cash equivalents	(1,252,289)	1,067,677
Cash and Cash Equivalents		
Beginning	4,935,280	-
Ending	\$ 3,682,991	\$ 1,067,677

(Continued)

Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended June 30, 2015

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
<hr/>		
Reconciliation of Operating (Loss) Income to Net Cash Provided By		
Operating Activities:		
Operating (loss) income	\$ (737,343)	\$ 476,332
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	221,345	-
Changes in assets and liabilities:		
Decrease in user charges receivable	36,438	-
Decrease in assessments receivable	623,922	-
Increase in interest and fees receivable	(6,866)	-
Decrease in other receivables	85,502	-
Increase in prepaid expenses	(58,445)	-
Increase in other liabilities	71,992	599,400
Increase in assessment credit liability	704,875	-
Increase in unearned revenue	41,739	-
Increase in performance maintenance deposits	19	-
Net cash provided by operating activities	\$ 983,178	\$ 1,075,732

See Notes to Financial Statements.

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2014 and June 30, 2015

	December 31, 2014	June 30, 2015	
	Pension Trust Fund - Town of Brookfield Pension Plan	Private Purpose Trust Fund - Raymond Waidelich Scholarship Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 1,143,805	\$ -	\$ 769,870
Investments, at fair value:			
Mortgage and asset backed securities	1,665,428	-	-
U.S. Treasuries	4,186,800	-	-
Mutual funds	35,754,755	759,061	-
Receivables:			
Accrued income	27,227	-	-
Due from other funds	-	-	24,145
Total assets	<u>42,778,015</u>	<u>759,061</u>	<u>\$ 794,015</u>
Liabilities			
Due to others	-	-	794,015
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 794,015</u>
Net Position			
Restricted for benefits and other purposes	<u>\$ 42,778,015</u>	<u>\$ 759,061</u>	

See Notes to Financial Statements.

Statement of Changes in Fiduciary Net Position
For the Years Ended December 31, 2014 and June 30, 2015

	December 31, 2014	June 30, 2015
	Pension Trust Fund - Town of Brookfield Pension Plan	Private Purpose Trust Fund - Raymond Waidelich Scholarship Fund
Additions		
Contributions:		
Employer	\$ 1,655,389	\$ 600,000
Plan members	452,764	-
Total contributions	2,108,153	600,000
Investment earnings		
Interest	369,736	20,702
Net increase (decrease) in the fair value of investments	1,711,602	(3,536)
Total investment earnings	2,081,338	17,166
Total additions	4,189,491	617,166
Deductions		
Benefit payments	1,608,154	-
Administrative expenses	82,751	1,552
Total deductions	1,690,905	1,552
Change in net position	2,498,586	615,614
Net position - beginning	40,279,429	143,447
Net position - ending	\$ 42,778,015	\$ 759,061

See Notes to Financial Statements.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Brookfield, Connecticut (the Town) conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial reporting entity: The Town of Brookfield, Connecticut was settled in 1788 and adopted its original charter in 1975. The Town operates under a Board of Selectmen and Board of Finance form of government and provides the following services as authorized by its charter: public safety, public works, recreation and leisure, education encompassing kindergarten through 12th grade, human and regional services, a public library, water and sewer, and other programs not included in the above.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town administers the Town of Brookfield Pension Plan (the Plan), which is a single employer contributory defined benefit plan. Per the plan document as adopted on July 1, 1968 and as amended on January 1, 1994, the plan has a calendar fiscal year end. The Plan does not issue stand-alone financial statements and is considered part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended December 31, 2014, the Plan's most recently completed fiscal year, have been presented in the fiduciary fund financial statements as a pension trust fund.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation: The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Governmental funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Town reports the following major governmental funds:

General Fund – This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

Bonded Projects Fund – This fund is used to account for the revenues and expenditures related to significant capital projects funded by general obligation bonded debt.

Water Assessment Fund – This fund is used to account for the financing of waterline improvements that benefit certain properties. Revenues in this fund include assessment charges and interest thereon committed to repayment of waterline related debt.

Proprietary funds: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following major proprietary fund:

Water Pollution Control Authority – This fund is used to account for revenues and expenses associated with the sewer collection and processing services for the Town's residences and businesses.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

In addition, the Town reports the following fund types:

Internal Service Fund: is used to account for the self-insured health activities of the Town employees.

Pension Trust Funds – This fund type is used to account for resources held in trust for the members and beneficiaries of the Town of Brookfield Pension Plan, which is a defined benefit pension plan.

Private Purpose Trust Funds – This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. The Town utilizes a private purpose trust fund to account for activities of the Raymond Waidelich Scholarship Fund.

Agency Funds – These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds account for monies generated by student activities in the Town's school system. The performance bonds fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

Implementation of New Accounting Standards and restatement of net position:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71*, was implemented on July 1, 2014. This statement revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The implementation of this statement resulted in additional disclosures as shown in Note 8. See restatement Note 13 for the effects on the Town's financials.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the Town's financial statements.

Cash equivalents: Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

Investments: Investments are reported at fair value (generally based on quoted market prices).

Inventories: Inventories are reported at cost using the first-in first-out method, except for U.S. Department of Agriculture donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Restricted cash and cash equivalents: Restricted cash and cash equivalents consist of amounts held in escrow in accordance with permanent maintenance agreements executed with certain property owners in the Town. The funds may only be disbursed in accordance with the permanent maintenance agreements. In addition, restrictions have been placed on certain cash and cash equivalent balances for other maintenance related expenditures.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes, water and sewer assessments and user charges: Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes of \$140,000 and an allowance for uncollectible interest on property taxes of \$66,000 as of June 30, 2015.

Upon completion of projects, water and sewer assessments are levied and assessed to the users each December. User charges are billed quarterly. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Capital assets: Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$20,000 for infrastructure assets and more than \$5,000 for all other assets. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Infrastructure	12-100
Machinery and equipment	5-25
Vehicles	5-20

Capital assets acquired under capital lease are amortized over the life of the lease term or estimated useful life of the asset, as applicable.

Compensated absences: Under the terms of various union contracts, noncertified and certified employees of the Town's Board of Education may accumulate and vest in sick time in accordance with the terms of the applicable contracts. Vacation time for Board of Education employees must be used during the fiscal year and cannot be carried over. However, there may be an occasional exception to this policy based upon the terms of a specific individual's contract.

Town employees earn vacation time based upon years of service and under the terms of various union contracts. Police officers earn vacation based on each anniversary date. A maximum of five days may be carried over, but it must be used within the first three months of the new anniversary year. All other Town employees earn vacation based on a calendar year. A maximum of five days may be carried over, but it must be used within the first six months of the new calendar year.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (e.g., due to resignation or retirement).

Long-term obligations: In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond principal premiums and discount are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The Town reports advanced property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. The amount is recognized during the period in which the revenue is associated.

Net position/fund balance: The statement of net position presents the Town's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted – This category of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category of net position consists of amounts which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable – Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action to be taken by the Board of Finance is the passage of a resolution by a simple majority vote.

Assigned – Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance has delegated the responsibility to assign funds to management of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Notes to Required Supplementary Information.

Unassigned – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Town's Fund Balance Policy establishes a minimum unassigned fund balance equal to 7.5% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the Town's Board of Finance will develop a plan to replenish the fund balance to the established minimum. The Town's policy requires the use of restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

Interfund activities: Interfund activities are reported as follows:

Interfund receivables and payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Interfund services provided and used: Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund transfers: Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund reimbursements: Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Net other post-employment benefit obligations (OPEB):

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation (asset), the cumulative differences between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation (asset) is recorded in the government-wide financial statements.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 2. Cash Deposits and Investments

Cash deposits: A reconciliation of the Town's cash and cash equivalents as of June 30, 2015 is as follows:

Government-wide Statement of Net Position

Unrestricted:

Cash and cash equivalents	\$ 12,264,201
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Restricted:

Cash and cash equivalents	1,465,902
---------------------------	-----------

	<u>13,730,103</u>
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Statement of Fiduciary Net Position

Cash and cash equivalents - Agency Funds	769,870
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Cash and cash equivalents - Pension Trust Fund	1,143,805
--	-----------

	<u>1,913,675</u>
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	<u><u>\$ 15,643,778</u></u>
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Custodial credit risk: Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, approximately \$14,174,000 of the Town's bank balance of approximately \$16,999,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,174,358
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Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,574,929
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	<u><u>\$ 15,749,287</u></u>
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All of the Town's deposits were in qualified public institutions as defined by Connecticut general statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments: As of June 30, 2015, the Town's investments, excluding Pension Trust Fund investments, consisted of the following:

Investments (Except Pension Trust Fund)	
Investment Type	Fair Value
Equity securities	<u><u>\$ 1,235,470</u></u>

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 2. Cash Deposits and Investments (Continued)

The Town has separately disclosed its Pension Trust Fund investments, as these investments have greater risk exposures than the Town's investments. Investments include \$1,143,805 of money market mutual funds which have been presented as cash equivalents in the accompanying statement of fiduciary net position. As of June 30, 2015, the Pension Trust Fund investments consisted of the following:

Investment Type	Pension Trust Fund				
	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt securities					
Mortgage backed securities	\$ 1,665,428	\$ -	\$ 119,840	\$ 36,801	\$ 1,508,787
U.S. Treasuries	4,186,800	-	3,864,861	321,939	-
Fixed Income mutual funds	4,608,434	4,608,434	-	-	-
	10,460,662	4,608,434	3,984,701	358,740	1,508,787
Other Investments:					
Mutual funds	31,146,321	31,146,321	-	-	-
Total	\$ 41,606,983	\$ 35,754,755	\$ 3,984,701	\$ 358,740	\$ 1,508,787

Interest rate risk: The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Pension Trust Fund investments are subject to guidelines as set forth by the Town to the investment manager, which provide for a maximum of 20% of total investments in cash, 20% in equity securities and 60% in corporate bonds, mortgage and asset backed securities, U.S. Agencies and U.S. Treasuries.

Credit risk: The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut general statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Fund may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

The Pension Trust Fund investments in debt securities were rated by Standard & Poor's as follows at June 30, 2015. No credit risk disclosures are required relating to the Pension Trust Fund investments in U.S. Treasuries.

Investment Type	Pension Trust Fund		
	Standard and Poor's		
	AAA	BAA1	Unrated
Mortgage backed securities	\$ -	\$ 57,569	\$ 1,607,859
U.S. Treasuries	4,186,800	-	-
Fixed Income mutual funds	-	-	4,608,434
Total	\$ 4,186,800	\$ 57,569	\$ 6,216,293

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 2. Cash Deposits and Investments (Continued)

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town or Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's and Pension Trust Fund's investments are not exposed to custodial credit risk at June 30, 2015, as they are held by a trustee in the Town's name.

Concentrations of credit risk: The Town places no limit on the amount of investment in any one issuer. As of June 30, 2015, the Town did not have more than 5% of the Town's investments in any one issuer.

The Pension Trust Fund places no limit on the amount of investment in any one issuer. More than 5.0% of the Pension Trust Fund investments are in U.S. Treasuries and certain mutual funds. Investments in U.S. Treasuries are not exposed to concentrations of credit risk. Investments in mutual funds are also not exposed to concentrations of credit risks since mutual funds are considered diversified by nature.

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2015 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 11,401,619	\$ -	\$ -	\$ 11,401,619
Construction in progress	5,997,372	4,743,771	1,296,187	9,444,956
Total capital assets, not being depreciated	17,398,991	4,743,771	1,296,187	20,846,575
Capital assets, being depreciated:				
Buildings and improvements	65,577,400	111,802	92,700	65,596,502
Infrastructure	23,825,833	2,504,744	-	26,330,577
Machinery and equipment	4,928,870	522,394	-	5,451,264
Vehicles	4,259,542	227,733	19,210	4,468,065
Total capital assets being depreciated	98,591,645	3,366,673	111,910	101,846,408
Less accumulated depreciation and amortization for:				
Buildings and improvements	18,226,519	1,273,824	20,394	19,479,949
Infrastructure	9,011,161	618,347	-	9,629,508
Machinery and equipment	3,361,780	317,605	-	3,679,385
Vehicles	2,558,997	373,317	15,468	2,916,846
Total accumulated depreciation and amortization	33,158,457	2,583,093	35,862	35,705,688
Total capital assets, being depreciated, net	65,433,188	783,580	76,048	66,140,720
Governmental activities capital assets, net	\$ 82,832,179	\$ 5,527,351	\$ 1,372,235	\$ 86,987,295

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 3. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Construction in progress	\$ 288,684	\$ 1,581,082	\$ -	\$ 1,869,766
Total capital assets, not being depreciated	288,684	1,581,082	-	1,869,766
Capital assets, being depreciated:				
Buildings and improvements	2,866,314	-	-	2,866,314
Infrastructure	9,481,743	51,450	-	9,533,193
Machinery and equipment	1,169,831	40,599	-	1,210,430
Vehicles	154,124	26,625	-	180,749
Total capital assets being depreciated	13,672,012	118,674	-	13,790,686
Less accumulated depreciation and amortization for:				
Buildings and improvements	307,639	57,326	-	364,965
Infrastructure	1,363,810	95,028	-	1,458,838
Machinery and equipment	647,531	57,123	-	704,654
Vehicles	76,030	11,868	-	87,898
Total accumulated depreciation and amortization	2,395,010	221,345	-	2,616,355
Total capital assets, being depreciated, net	11,277,002	(102,671)	-	11,174,331
Business-type activities capital assets, net	\$ 11,565,686	\$ 1,478,411	\$ -	\$ 13,044,097

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental activities	
General government	\$ 165,256
Social Services	45,345
Public Works	859,416
Public Safety	231,059
Recreation and Leisure	133,482
Education	1,148,535
Total depreciation and amortization expense - governmental activities	\$ 2,583,093
Business-type activities	
Water Pollution Control Authority	\$ 221,345
Total depreciation and amortization expense - business-type activities	\$ 221,345

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 4. Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2015 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Bonded Projects Fund	\$ 2,038,060
	Other Governmental Funds	81,927
		<u>2,119,987</u>
Water Assessment Fund	General Fund	297,801
Internal Service Fund	General Fund	8,055
Other Governmental Funds	Bonded Projects Fund	5,527
Other Governmental Funds	General Fund	371,979
		<u>\$ 2,803,349</u>
Fiduciary Funds		
Agency Funds	General Fund	<u>\$ 24,145</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 5. Interfund Transfers

Interfund transfers for the year ended June 30, 2015 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental funds		
Other governmental funds	General Fund	\$ 1,509,863
Bonded Projects Fund	General Fund	\$ 1,547,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The General Fund transferred \$1,547,000 to the Bonded Projects Fund for completed unbonded projects.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 6. Bond Anticipation Notes

The following is a summary of changes in short-term debt for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Bond anticipation notes payable	\$ 1,505,000	\$ 8,230,000	\$ 1,505,000	\$ 8,230,000
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Bond anticipation notes payable	\$ 3,125,000	\$ 3,050,000	\$ 3,125,000	\$ 3,050,000

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Beginning Balance, as restated*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 36,085,000	\$ 5,510,000	\$ 7,160,000	\$ 34,435,000	\$ 4,112,175
Unamortized amounts:					
Premium	2,421,961	23,641	222,479	2,223,123	-
Total bonds payable	38,506,961	5,533,641	7,382,479	36,658,123	4,112,175
Other liabilities:					
Notes payable	681,381	-	681,381	-	-
Capital leases	693,130	618,311	463,566	847,875	389,119
Compensated absences	577,912	81,066	6,528	652,450	330,951
Claims and judgements	-	900,000	-	900,000	-
Early retirement	324,000	-	162,000	162,000	162,000
Net pension liability*	1,163,251	1,628,679	1,750,558	1,041,372	-
Net OPEB obligation	15,699,955	3,538,689	279,798	18,958,846	-
	\$ 57,646,590	\$ 12,300,386	\$ 10,726,310	\$ 59,220,666	\$ 4,994,245
Business-Type Activities					
Bonds payable:					
General obligation bonds	\$ 1,395,000	\$ -	\$ 180,000	\$ 1,215,000	\$ 140,000
Other liabilities:					
Notes payable	3,083,500	-	165,194	2,918,306	168,528
Compensated absences	2,919	5,861	-	8,780	1,580
	\$ 4,481,419	\$ 5,861	\$ 345,194	\$ 4,142,086	\$ 310,108

* Amounts restated for the implementation of GASB No 68.

Certain general obligation bonds and the note payable allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer use and assessment billings. The remaining liabilities above typically have been liquidated in the General and other governmental funds.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General obligation bonds and notes payable: A summary of general obligation bonds and notes payable outstanding at June 30, 2015 is as follows:

Description	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental activities			
Bonds payable			
School bonds issued 1997, original amount \$4,000,000	2017	4.65% - 5.75%	\$ 440,000
General obligation bonds issued 1999, original amount \$2,705,000	2020	4.75% - 5.875%	675,000
General obligation and school bonds issued 2002, original amount \$7,900,000	2022	4.0% - 5.0%	2,800,000
General obligation School and Gurski bonds issued 2014, original amount \$14,750,000	2031	2.0% - 4.0%	13,170,000
General obligation Town Roads, School bonds issued 2014, original amount \$6,180,000	2034	3.27%	6,180,000
General obligation refunding bonds issued 2014, original amount \$15,100,000	2026	2.0% - 5.0%	315,000
General obligation Water bonds -taxable issued 2015, original amount \$5,510,000	2034	2%-3.65%	5,510,000
General obligation Various, School bonds issued 2010, original amount \$6,700,000	2031	2.0% - 4.0%	5,345,000
			<u>\$ 34,435,000</u>

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

Description	Dates	Rates	Outstanding
Business-type activities			
Bonds payable			
Sewer bonds issued 1993, original amount \$3,400,000	2022	3.65% - 5.375%	\$ 805,000
Sewer bonds issued 1997, original amount \$980,000	2017	4.65% - 5.75%	80,000
Sewer bonds issued 2010, original amount \$430,000	2031	2.0% - 4.0%	330,000
			<u>1,215,000</u>
Notes payable			
Clean Water Fund note payable issued 2010, original amount \$3,747,082	2030	2.0%	2,918,306
			<u>2,918,306</u>
			<u>\$ 4,133,306</u>

2015 general obligation refunding bond - in-substance defeasance: On March 24, 2015, the Town issued \$5,510,000 of general obligation refunding bonds with an average interest rate of 3.4%, of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated 2010 and 2011 (the Refunding Bonds). Net proceeds of \$5,355,352 (after payment of expenses of \$178,289), was placed in an irrevocable trust under an Escrow Agreement dated March 2015 between the Town and escrow holder. The escrow holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements. The balance of the defeased bonds was approximately \$19,270,000 at June 30, 2015.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$391,840, and a cash savings of \$505,019 between the old debt payments and the new debt payments

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2015:

June 30:	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2016	\$ 2,115,000	\$ 1,259,683
2017	2,925,000	1,160,108
2018	2,735,000	1,060,460
2019	2,765,000	955,933
2020	2,800,000	837,954
2021-2025	12,380,000	2,573,945
2026-2030	6,385,000	795,727
2031-2035	2,330,000	151,857
	<u>\$ 34,435,000</u>	<u>\$ 8,795,667</u>

June 30:	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 180,000	\$ 50,325	\$ 168,528	\$ 56,827	\$ 348,528	\$ 107,152
2017	180,000	41,705	171,929	53,425	351,929	95,130
2018	135,000	34,120	175,400	49,955	310,400	84,075
2019	135,000	27,570	178,940	46,415	313,940	73,985
2020	135,000	21,020	182,552	42,803	317,552	63,823
2021-2025	330,000	36,640	969,540	157,234	1,299,540	193,874
2026-2030	100,000	11,148	1,071,417	52,933	1,171,417	64,081
2031-2032	20,000	335	-	-	20,000	335
	<u>\$ 1,215,000</u>	<u>\$ 222,863</u>	<u>\$ 2,918,306</u>	<u>\$ 459,592</u>	<u>\$ 4,133,306</u>	<u>\$ 682,455</u>

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

As of June 30, 2015, the Town had authorized but unissued bonds totaling \$926,835. The funds are being used for construction of recreational facilities, improvements to Town roads and the roof of a Town educational facility, and to extend water and sewer mains in Town. These projects were authorized by the voters of the Town.

School bond reimbursements: The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2015 was \$72,332. Additional reimbursements of principal and interest aggregating \$68,947 are expected to be received through the applicable bonds' maturity dates. The Town has recorded a receivable relating to the principal portion of these payments in the accompanying statement of net position.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

Capital leases: A summary of assets acquired through capital leases is as follows as of June 30, 2015:

	Governmental Activities
Machinery and equipment	\$ 1,424,141
Less: accumulated amortization	(956,902)
	<u>\$ 467,239</u>

Amortization expense relative to leased property under capital leases totaled \$282,845 for the year ended June 30, 2015 and is included in depreciation and amortization expense disclosed in Note 3.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending June 30:	Governmental Activities
2016	\$ 397,406
2017	248,075
2018	185,435
2019	38,793
Total minimum lease payments	<u>869,709</u>
Less: amount representing interest	21,834
Present value of minimum lease payments	<u>\$ 847,875</u>

Note 8. Pension Plans

Defined benefit plan:

Plan description: The Town administers the Plan which is a single employer, contributory, defined benefit plan. Plan benefits and contribution requirements are established by the plan document adopted July 1, 1968, and as amended January 1, 1994, by approval of the Board of Selectmen. All full time employees eligible to participate in the plan become a plan participant on the first day of the month following completion of one year of employment. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

Summary of significant accounting policies: Investments are recorded at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs of the Plan are funded by the Town.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Plan membership: Membership of the Plan consisted of the following as of the date of the latest actuarial valuation dated January 1, 2014:

Retirees and beneficiaries receiving benefits	92
Terminated plan members entitled to but not yet receiving benefits	16
Active plan members	155
	<u>263</u>

Contributions: The contribution requirements of plan members and the Town are established and may be amended by the Board of Selectmen. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the entry age normal cost method.

Employees are required to contribute 5% of their earnings to the Plan.

For the year ended June 30, 2015, employer contributions to the Plan represented 17.34% of covered payroll.

Benefit provisions: Benefit provisions are established and may be amended by the Board of Selectmen. The normal retirement benefit is calculated as a percentage of the participant's average monthly earnings during the highest three consecutive years (five years for Board of Education participants) of employment multiplied by years of service. The percentages are as follows: Board of Education – 1.75% for years of service prior to January 1, 1994 and 2.0% for years of service thereafter; Other – 2.0% for all years of service.

Normal retirement age is the earlier of age 55 with 10 years of service or 25 years of service regardless of age for police and age 62 for all others. Police are 100% vested after 10 years of service. All others are 50% vested after 5 years of service plus 10% for each additional year until becoming 100% vested. The Town has not given any post-retirement benefit increases.

Police officers who retire on or after July 1, 2006 will receive an annual 1% cost of living adjustment every July 1st.

Additional information and actuarial assumptions:

Valuation date:	January 1, 2014
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	15 years, open
Asset valuation method:	Market value
Actuarial assumptions:	
Investments rate of return*	6.50%
Projected salary increases*	3.00%
*Includes inflation at 2.5%	

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Plan financial statements:

**Town of Brookfield, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014**

	Pension Trust Fund - Town of Brookfield Pension Plan
Assets	
Cash and cash equivalents	\$ 1,143,805
Investments, at fair value	
Mortgage and asset backed securities	1,665,428
U.S. Treasuries	4,186,800
Fixed income mutual funds	35,754,755
Receivables:	
Accrued income	27,227
Total assets	<u>42,778,015</u>
Liabilities	
Due to other funds	-
Total liabilities	<u>-</u>
Net Position	
Restated for pension benefits	<u>\$ 42,778,015</u>

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

**Town of Brookfield, Connecticut
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2014**

	Pension Trust Fund - Town of Brookfield Pension Plan
Additions	
Contributions:	
Employer contribution	\$ 1,655,389
Plan members	452,764
Total contributions	<u>2,108,153</u>
Investment earnings:	
Interest	369,736
Net increase in the fair value of investments	1,711,602
Total investment earnings	<u>2,081,338</u>
Total additions	<u>4,189,491</u>
Deductions	
Benefit payments	1,608,154
Administrative expenses	82,751
Total deductions	<u>1,690,905</u>
Change in net position	2,498,586
Net position - beginning	40,279,429
Net position - ending	<u><u>\$ 42,778,015</u></u>

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Benefits Advisory Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2015:

Asset Class	Pension Funds
	Target Allocation
Large Cap Blend	36%
International	15%
Small Cap Blend	9%
Fixed Income	37%
Cash	3%
	100%

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.5926%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the town: The components of the net pension liability of the Town at June 30, 2015 were as follows:

Net Pension Liability	June 30, 2015
Total pension liability	\$ 44,183,810
Plan fiduciary net position	\$ 43,142,438
Net pension liability	\$ 1,041,372
Plan fiduciary net position as a percentage of total pension liability	97.64%
Covered-employee payroll	\$ 9,360,761
Net pension liability as a % of covered-employee payroll	11.12%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2014, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date, June 30, 2015. There have been no significant changes between the valuation date and the fiscal year end.

Mortality rates were based on the RP-2000 Mortality Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014, and the final investment return assumption, are summarized in the following table:

Asset Class	Pension Funds	
	Long-Term Expected Real Rate of Return	Weighting
Large cap blend	6.50%	2.34%
International	6.50%	0.98%
Small cap blend	8.25%	0.74%
Fixed income	75.00%	0.28%
Cash	0.00%	0.00%
		4.34%
Long-term inflation expectation		2.50%
Long-term expected nominal return		6.84%

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 5.50%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the rate utilized:

	Current		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net pension liability (asset) as of June 30, 2015	\$ 6,042,113	\$ 1,041,372	\$ (3,180,573)

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

For the fiscal year ended June 30, 2015, the recognized pension expense is \$866,362. As of June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ (317,328)	\$ (317,328)
Net difference between projected and actual earnings on pension plan investments	952,016	-	952,016
Total	\$ 952,016	\$ (317,328)	\$ 634,688

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30,

2016	\$ 164,207
2017	164,207
2018	164,207
2019	164,207
2020	(22,140)
Thereafter	-
	<u>\$ 634,688</u>

Connecticut Teachers' Retirement System:

Description of system: All certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. The Town has no liability associated with the State Teachers' Retirement System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System.

For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$4,537,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability related to the System.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$1,303,912 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$17,985,000. The Town is not required to contribute to the plan.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00%
Increases, including inflation	3.75%-7.00%
Long-term investment rate of return, net of pension investment expense, including inflation	8.50%

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. Equities	21%	7.3%
Developed non-U.S. equities	18%	7.5%
Emerging markets (non-U.S.)	9%	8.6%
Core Fixed Income Fund	7%	1.7%
Inflation Linked Bond Fund	3%	1.3%
Emerging Market Debt Fund	5%	4.8%
High Yield Bond Fund	5%	3.7%
Real Estate Fund	7%	5.9%
Private Equity	11%	10.9%
Alternative Investments	8%	0.7%
Liquidity Fund	6%	0.4%
	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 8. Pension Plans (Continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:

The following presents the State's proportionate share of the net pension liability (NPL) associated with the Town, calculated using the discount rate of 8.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate. The Town has not accrued any of this liability as the responsibility for the liability is with the State.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's portion of the NPL associated with the Town	\$ 63,591,748	\$ 49,831,280	\$ 38,134,475

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by GASB No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$49,831,280 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$4,661,000 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 9. Other Post-Employment Benefits

Plan description: The Town of Brookfield administers an Other Post-Employment Benefits Plan (the OPEB Plan), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each three-year bargaining period. The OPEB Plan does not issue stand-alone financial statements and is not included in the financial statements of another entity.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits

Funding policy: Contribution requirements of the plan members and the Town are established in the OPEB Plan document and may be amended through negotiations between the Town and the unions. Currently, the Town contributes the following for various classes of employees covered:

Town employees (excluding highway, public works and police): Prior to age 65 and with ten years of service, the Town pays 15% and the retiree pays 85% of the cost of current year premiums for both the retiree and spouse. The retiree portion is reduced by 5% for each additional year of service, until at 25 years of service, the Town pays 90% and the retiree pays 10% of the cost of current year premiums. The Town pays 100% of the premium cost for retirees with over twenty-five years of service. Anyone hired on or after January 1, 2011 are not eligible for these post-retirement healthcare insurance benefits.

Highway and Public Works employees: Prior to age 65, the Town pays 60% and the retiree pays 40% of the cost of current year premiums for both the retiree and spouse. The Town pays 80% of the premium cost for retirees and 75% of the premium costs for the retiree's spouse at the age of sixty-five and beyond. The Town pays 100% of the premium costs for existing retirees. Anyone hired on or after July 1, 2010 are not eligible for these post-retirement healthcare insurance benefits.

Police: Prior to age 65 and with less than five years of service, the Town pays 80% and the retiree pays 20% of the cost of current year premiums for both the retiree and spouse. Prior to age 65 and with five years of service, the Town pays 80% and the retiree pays 20% of the cost of current premiums for the retiree only. The retiree pays 100% of the cost of current premiums for the spouse. The Town pays 95% and the retiree pays 5% of the premium cost for retirees and spouse at the age of sixty-five and beyond. The Town pays 100% of the premium costs for existing retirees.

Teachers and administrators: Retirees pay 100% of the contribution depending on the plan selected, up to the age of sixty-five. Teachers who are not eligible for Medicare may remain in the pre-65 medical plan and pay 100% of the premium.

For fiscal year 2015, the Town contributed \$279,798 to the OPEB Plan. The OPEB Plan is financed on a pay-as-you-go basis.

Annual OPEB cost and net OPEB obligation: The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 3,783,881
Interest on net OPEB obligation	627,998
Adjustment to annual required contribution	(873,190)
Annual OPEB cost (expense)	3,538,689
Contributions made	(279,798)
Increase in net OPEB obligation	3,258,891
Net OPEB obligation, beginning of year	15,699,955
Net OPEB obligation, end of year	\$ 18,958,846

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Three-year trend information:

June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 3,038,434	15.1%	\$ 12,618,423
2014	3,515,401	12.3%	15,699,955
2015	3,538,689	7.9%	18,958,846

Funded status and funding progress: The funded status of the plan as of July 1, 2014 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)	(Unfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
\$ -	\$ 26,493,390	\$ 26,493,390	0.0%	\$ 26,992,164	98.2%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Actuarial methods and assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date	July 1, 2012
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar amount
Remaining amortization period	30 years, open
Asset valuation method	N/A
Actuarial assumptions	
Inflation rate	4.00%
Healthcare cost trend rate	9.0% initial
	5.00% final in 2015 and beyond for medical
	5.00% per year for dental

Note 10. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. During 2015, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities (CCM) for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Town is a member of CIRMA's worker's compensation pool, a risk sharing pool, which commenced operations on July 1, 1980. The worker's compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Worker's Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. CIRMA's worker's compensation pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

The Town is self-insured for health benefits. The town recognizes a liability for health claims payable, additional estimated losses on claims and claims incurred but not reported based on actuarial analysis of claim history and other self-insured claims that are probable of loss based on a case-by-case review.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

Changes in the liabilities for self-insured risks are as follows:

Fiscal Year	Claims Payable, July 1	Current Year Claims and Changes in Estimates	Payment of Claims	Claims Payable, June 30
2015	\$ -	\$ 8,834,733	\$ 8,235,333	\$ 599,400

Note 11. Commitments and Contingencies

There are several matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Note 12. Recently Issued Accounting Standards

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.

Notes to Financial Statements

Note 12. Recently Issued Accounting Standards (Continued)

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability-the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

Notes to Financial Statements

Note 12. Recently Issued Accounting Standards (Continued)

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.

Town of Brookfield, Connecticut

Notes to Financial Statements

Note 12. Recently Issued Accounting Standards (Continued)

- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as Amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

Note 13. Restatement-Adoption of Accounting Standard

The Town's financial statements have been restated as of June 30, 2014. The restatement is a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Governmental activities will show a restatement of net position for the beginning of the year as follows:

Net position, June 30, 2014, as previously reported	\$ 27,958,756
Remove: June 30, 2014 net pension obligation under GASB 27 before implementation of GASB Statement No. 68: Defined benefit plan	<u>4,462,313</u>
Add: Implementation of GASB Statement No. 68: Beginning net pension liability for: Defined benefit plan	<u>(1,163,251)</u>
Net Position, June 30 2014 as restated	<u><u>\$ 31,257,818</u></u>

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**Required Supplementary
Information - unaudited**

Required Supplementary Information - unaudited
Schedules of Funding Progress and Employer Contributions
Other Post-Employment Benefits Fund
June 30, 2015

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2008	\$ -	\$ 28,275,976	\$ (28,275,976)	0.0%	\$ 7,750,003	364.9%
July 1, 2010	-	29,674,538	(29,674,538)	0.0%	23,952,238	123.9%
July 1, 2012	-	33,977,100	(33,977,100)	0.0%	24,685,830	137.6%
July 1, 2014	-	26,493,390	26,493,390	0.0%	26,992,164	98.2%

Schedule of Employer Contributions- OPEB

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2015	\$ 3,783,881	\$ 279,798	7.4%
2014	3,712,467	433,869	11.7%
2013	3,195,210	458,625	14.4%
2012	3,137,050	771,705	24.6%
2011	3,274,535	613,631	18.7%
2010	3,210,263	600,384	18.7%
2009	3,148,463	501,447	15.9%

Required Supplementary Information - unaudited
Schedule of Employer Contributions - Pension Trust Fund
Last Ten Fiscal Years

	Schedule of Contributions									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 1,622,929	\$ 1,809,130	\$ 1,756,437	\$ 1,816,697	\$ 1,687,026	\$ 1,736,719	\$ 1,119,831	\$ 993,194	\$ 794,358	\$ 573,244
Contributions in Relation to the Actuarially Determined Contribution	1,622,929	1,871,103	1,721,844	773,939	343,184	495,547	499,126	340,362	346,881	330,334
Contribution deficiency (excess)	\$ -	\$ (61,973)	\$ 34,593	\$ 1,042,758	\$ 1,343,842	\$ 1,241,172	\$ 620,705	\$ 652,832	\$ 447,477	\$ 242,910
Covered-employee Payroll	\$ 9,360,761	\$ 9,417,984	\$ 9,143,674	\$ 9,034,099	\$ 8,171,048	\$ 8,124,134	\$ 8,078,903	\$ 7,947,320	\$ 7,534,785	\$ 7,102,907
Contributions as a Percentage of Covered-employee Payroll	17.34%	19.87%	18.83%	8.57%	4.20%	6.10%	6.18%	4.28%	4.60%	4.65%

Required Supplementary Information - unaudited
Schedule of Investment Returns
Last Two Fiscal Years

	2015	2014
Annual money-weighted rate of return, net of investment income	3.59%	16.33%

Required Supplementary Information - unaudited

Schedule of Changes in the Town's Net Pension Liability and Related Ratios

June 30, 2015

Last Two Fiscal Years

Changes in Net Pension Liability	2015	2014
Total Pension Liability		
Service cost	\$ 1,010,684	\$ 979,892
Interest on total pension liability	2,775,281	2,643,325
Change of benefit terms	-	-
Differences between expected and actual experience	(391,125)	-
Change of assumptions	-	-
Benefit payments, including refunds of member contributions	(1,766,161)	(1,486,080)
Net change in total pension liability	1,628,679	2,137,137
Total pension liability, beginning	42,555,131	40,417,994
Total pension liability ending (a)	44,183,810	42,555,131
Fiduciary Net Position		
Employer contributions	\$ 1,622,929	\$ 1,871,103
Member contributions	473,380	456,483
Net investment income	1,508,205	5,843,034
Benefit payments	(1,766,161)	(1,486,080)
Administrative expenses	(87,795)	(79,382)
Net change in plan fiduciary net position	1,750,558	6,605,158
Fiduciary net position, beginning	41,391,880	34,786,722
Fiduciary net position, ending (b)	43,142,438	41,391,880
Net pension liability, ending = (a) - (b)	\$ 1,041,372	\$ 1,163,251
Fiduciary net position as a % of total pension liability	97.64%	97.27%
Covered payroll	\$ 9,360,761	\$ 9,417,984
Net pension liability as a % of covered payroll	11.12%	12.35%

NOTE: As 2014 is the implementation year, only 2014 and 2015 information is available. Ten year information will be presented as each year becomes available

Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability-
Teachers' Retirement Plan

Measurement Period,	2014
Town's Proportion of the Net Pension Liability	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	\$ 49,831,280
Town's Covered-employee Payroll	18,665,395
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.51%

NOTE: As 2015 is the implementation year, only 2014 information is available. Ten year information will be presented as each year becomes available

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

Required Supplementary Information - unaudited

Schedule of Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual - General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Property Taxes				
Revenues from property taxes	\$ 56,366,485	\$ 56,366,485	\$ 56,593,890	\$ 227,405
Telephone access	71,437	71,437	58,457	(12,980)
Total property taxes	56,437,922	56,437,922	56,652,347	214,425
Intergovernmental Revenues				
Mashantucket Pequot grant	15,108	15,108	32,260	17,152
Elderly property tax relief	100,102	100,102	93,610	(6,492)
Local capital improvement program	127,512	127,512	103,800	(23,712)
Payment in lieu of taxes	38,909	38,909	41,305	2,396
Town aid road	414,059	414,059	296,342	(117,717)
Judicial fees	9,126	9,126	15,955	6,829
Education cost sharing grant	1,545,573	1,545,573	1,430,333	(115,240)
School transportation	31,947	31,947	11,650	(20,297)
School building grants	72,331	72,331	72,331	-
Total intergovernmental revenues	2,354,667	2,354,667	2,097,586	(257,081)
Charges for Services				
First Selectman	25,034	25,034	13,949	(11,085)
Town clerk	477,237	477,237	412,926	(64,311)
Police department	37,856	37,856	48,241	10,385
Land use	501,920	501,920	559,033	57,113
Total charges for services	1,042,047	1,042,047	1,034,149	(7,898)
Interest and lien fees	313,633	313,633	247,499	(66,134)
Investment income	-	-	7,317	7,317
Miscellaneous	130,310	130,310	195,581	65,271
Total revenues	60,278,579	60,278,579	60,234,479	(44,100)
Other Financing Sources				
Transfers in	124,041	124,041	310,627	186,586
Total other financing sources	124,041	124,041	310,627	186,586
Total revenues	\$ 60,402,620	\$ 60,402,620	\$ 60,545,106	\$ 142,486

Required Supplementary Information - unaudited

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
General Government				
Selectman	\$ 150,543	\$ 152,649	\$ 152,649	\$ -
Town Clerk	220,158	234,991	234,991	-
Registrar of Voters	82,785	82,785	82,051	734
Gurski Maintenance	7,000	7,000	7,000	-
Economic Development Commission	10,675	10,675	2,244	8,431
Revaluation	70,000	70,000	-	70,000
Legal	256,000	256,000	179,982	76,018
Total general government	797,161	814,100	658,917	155,183
Land Use				
Health	198,945	198,945	175,370	23,575
Building	282,941	282,941	278,188	4,753
Planning	209,440	259,297	259,297	-
Conservation Commission	15,150	15,150	14,873	277
Historic District Commission	3,663	3,663	2,045	1,618
Total land use	710,139	759,996	729,773	30,223
Finance and Taxation				
Assessor	242,729	242,729	238,046	4,683
Tax Collector	203,835	203,835	200,635	3,200
Finance Department	281,240	298,385	298,385	-
Board of Finance	53,000	53,000	52,075	925
Board of Assessment Appeals	1,465	1,465	100	1,365
Information Technology	232,168	232,168	220,858	11,310
Total finance and taxation	1,014,437	1,031,582	1,010,099	21,483
Regional Services				
Regional Services	301,530	301,530	299,506	2,024
Total regional services	301,530	301,530	299,506	2,024
Human Resources				
Operations/human resources	120,113	123,021	123,021	-
Employee benefits	3,805,390	3,814,412	3,814,412	-
Insurance	513,300	513,300	433,090	80,210
Total human resources	4,438,803	4,450,733	4,370,523	80,210
Public Works				
Highway	1,568,710	1,765,948	1,765,948	-
Building services/maintenance	269,764	287,484	287,484	-
Town utilities	744,013	744,013	702,326	41,687
Recycling	45,782	45,782	41,919	3,863
Total public works	2,628,269	2,843,227	2,797,677	45,550

(Continued)

Required Supplementary Information - unaudited

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Public Safety				
Police Department	\$ 3,758,436	\$ 3,758,436	\$ 3,616,341	\$ 142,095
Fire Department - Center	288,143	288,143	288,143	-
EMS	237,667	287,188	287,188	-
Fire Department - Candlewood	133,446	133,446	133,446	-
Civil Defense	2,000	2,079	2,079	-
Total public safety	4,419,692	4,469,292	4,327,197	142,095
Recreation and Leisure				
Parks and Recreation Department	206,843	217,472	217,472	-
Grounds Department	504,188	528,716	528,716	-
Arts Commission	3,500	3,500	3,500	-
Total recreation and leisure	714,531	749,688	749,688	-
Social Services				
Social Services	53,194	53,194	53,033	161
Community Center	137,819	137,819	130,274	7,545
Regional social services	17,846	17,846	17,846	-
Total social services	208,859	208,859	201,153	7,706
Library	638,819	638,819	638,819	-
Education				
Teachers' salaries	16,540,335	16,569,456	16,353,291	216,165
Administrators' salaries	2,058,026	2,110,023	2,112,139	(2,116)
Retirement	162,000	162,000	165,750	(3,750)
Teacher Substitutes	-	-	(12,651)	12,651
Substitutes	-	-	(450)	450
Team/curriculum leaders	82,363	82,363	75,841	6,522
Extended duty	171,324	178,824	128,229	50,595
Other	209,866	209,866	203,811	6,055
Vocational/ Career	-	70,767	70,432	335
Para professionals	933,107	933,107	961,654	(28,547)
Clerical/computer technicians	1,571,605	1,552,184	1,556,287	(4,103)
Health staff	354,309	354,309	385,168	(30,859)
Custodians	854,862	821,985	825,383	(3,398)
Maintenance	96,154	115,545	136,541	(20,996)
Monitors	99,148	99,148	94,205	4,943
Overtime	55,250	47,250	38,041	9,209
Student salary	2,500	2,500	-	2,500
Homebound tutors	33,680	33,680	4,025	29,655
Co-curricular coaches	380,003	339,777	386,767	(46,990)
Other	184,986	36,606	36,691	(2,085)
Student Safety	-	65,972	65,592	380
Transportation - Messenger	-	13,836	13,463	373
Building substitutes	305,540	322,466	44,647	277,819
Daily substitutes	29,625	29,625	101,268	(71,643)
Long-term substitutes	7,563	7,563	149,433	(141,870)

(Continued)

Required Supplementary Information - unaudited

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Education (Continued)				
Special education substitutes	\$ -	\$ -	\$ 1,085	\$ (1,085)
Teacher-to-teacher substitutes (prep)	-	-	7,890	(7,890)
Nurse Substitute	600	600	-	600
Daily substitutes - non-certified	67,510	67,510	48,594	18,916
Para professionals differential	12,270	12,270	182	12,088
Professional release substitutes	1,820	1,820	-	1,820
Health insurance	5,691,000	5,691,000	5,685,226	5,774
Group life insurance	72,000	72,000	66,824	5,176
Long-term disability	135,000	145,000	142,711	2,289
Social security	609,000	609,000	590,850	18,150
Pension contribution	475,000	475,000	475,193	(193)
Tuition reimbursement	4,000	4,000	4,000	-
Unemployment compensation	37,000	27,000	13,320	13,680
Workers' compensation	208,000	208,000	208,000	-
Other	-	-	13,900	(13,900)
Professional education services	245,303	245,303	54,838	190,465
Tutors	450	450	-	450
Other professional services	441,898	434,898	499,470	(64,572)
Legal/negotiations	170,000	170,000	211,342	(41,342)
Asbestos Monitoring and Cleaning	-	-	16,040	(16,040)
Technical services	120,890	128,390	117,408	10,982
Electricity	575,000	555,000	519,126	35,874
Water/sewage	58,500	58,500	94,221	(35,721)
Refuse/recycling	35,000	35,000	34,361	639
Repairs/maintenance of buildings	85,000	145,000	181,884	(36,884)
Repairs/maintenance of equipment	127,700	92,700	88,408	4,292
Copier lease	160,588	195,588	270,671	(75,083)
Lease/rent	262,789	288,551	243,748	44,803
General transportation	1,686,851	1,724,433	1,888,386	(163,953)
Special education transportation - out	119,923	119,923	157,883	(37,960)
Special education transportation - in	72,923	72,923	13,362	59,561
Vocational/agriculture transportation	37,582	-	-	-
Athletic transportation	35,000	35,000	101,270	(66,270)
Field trips	19,800	19,800	15,354	4,446
Liability insurance	175,129	175,129	185,944	(10,815)
Data Line	-	34,750	33,475	1,275
Telephone	178,400	93,400	81,248	12,152
Postage	28,893	28,893	23,936	4,957
Advertising	3,000	3,000	500	2,500
Printing	12,835	12,835	3,869	8,966
Special education tuition	688,000	688,000	952,281	(264,281)
Vocational/agriculture tuition	32,000	32,000	20,468	11,532
Conference/travel	14,000	20,250	4,173	16,077
Office supplies	37,528	37,528	22,044	15,484
Instructional supplies	291,542	298,660	224,892	73,768

(Continued)

Required Supplementary Information - unaudited

Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Education (Continued)				
Custodian supplies	\$ 80,000	\$ 65,000	\$ 81,630	\$ (16,630)
Maintenance supplies	35,000	15,000	16,771	(1,771)
Other supplies	170,164	164,350	118,470	45,880
Oil heat	387,375	387,375	410,521	(23,146)
Propane	-	5,000	4,524	476
Fuel - transportation	229,832	237,332	226,434	10,898
Text/work books	150,568	149,951	110,601	39,350
Library books	23,305	23,305	22,759	546
Periodicals/subscriptions	22,241	23,241	17,202	6,039
Instructional equipment - replace	18,635	18,635	11,538	7,097
Furniture and fixtures	12,200	11,200	8,791	2,409
Other capital	207,200	182,937	185,168	(2,231)
Instructional equipment - new	14,500	14,500	9,565	4,935
Non-instructional equipment - replace	7,000	3,000	598	2,402
Dues/fees	60,480	61,688	69,507	(7,819)
Revenue Total Adjustment	-	-	(103)	103
Total education	38,580,470	38,580,470	38,509,910	70,560
Miscellaneous				
Capital	1,465,707	1,340,022	1,249,236	90,786
Contingency	114,974	114,974	-	114,974
Total miscellaneous	1,580,681	1,454,996	1,249,236	205,760
Debt Service	4,369,229	4,099,328	4,099,328	-
Total expenditures	60,402,620	60,402,620	59,641,826	760,794
Other Financing Source				
Transfers out	-	1,547,000	1,547,000	-
Total other financing uses	-	1,547,000	1,547,000	-
Total expenditures	\$ 60,402,620	\$ 61,949,620	\$ 61,188,826	\$ 760,794

Note to Required Supplementary Information - unaudited

Note 1. Budgetary Information and Deficit Fund Balance

Budgetary information: The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- On the first Tuesday in May, the Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a Town Meeting, at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally adopted by a vote of the annual Town Meeting.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed, in the aggregate in any one year, the lesser of ten percent of the amount originally appropriated or \$20,000, provided that the aggregate sum of all additional appropriations may not exceed one percent of the total original annual appropriation. Appropriations in excess of the amount which the Board of Finance may approve must be approved by vote of a Town Meeting. Formal budgetary integration is employed as a management control device during the year. The Town made an additional appropriation of \$1,544,000 for the transfer to the Bonded Projects Fund for completion of new unbonded projects.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended and unencumbered appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Note to Required Supplementary Information - unaudited**Note 1. Budgetary Information and Deficit Fund Balance (Continued)**

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). The differences include additional revenues and expenditures pertaining to certain Town funds that are not budgeted for by the Town due to perspective differences. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2015:

	Total Revenues	Total Expenditures	Other	Net Change in Fund Balance	Fund Balance
Budgetary basis	\$ 60,234,479	\$ 59,641,826	\$ (1,236,373)	\$ (643,720)	\$ 3,746,890
"On-behalf" payments -					
State Teachers Retirement Fund	4,537,000	4,537,000	-	-	-
Reclassification of amounts recorded	-	(1,199,236)	(1,199,236)	-	-
Revenues and expenditures pertaining to other Town funds not recognized for budgetary purposes due to perspective differences:					
Library Operating Fund	13,796	15,701	-	(1,905)	469,045
Heart and Hypertension					
Reserve Fund	40,767	14,374	-	26,393	303,522
Economic Development Fund	-	3,661	-	(3,661)	23,862
Revaluation Reserve Fund	-	-	-	-	133,542
Equipment Reserve Fund	212,783	1,015,557	642,167	(160,607)	339,393
Tree Settlement Fund	-	235,000	-	(235,000)	118,000
GAAP basis	<u>\$ 65,038,825</u>	<u>\$ 64,263,883</u>	<u>\$ (1,793,442)</u>	<u>\$ (1,018,500)</u>	<u>\$ 5,134,254</u>

Deficit fund balance: The following Funds have a deficit balance as of June 30, 2015:

Fund	Fund Balance Deficit
Bonded Projects Fund	\$ (8,636,020)
Educational Grants Fund	(1,680)

These deficits do not constitute a violation of statutory provisions. The deficits will be funded through the issuance of long-term debt, future transfers from the General Fund or future program revenues.

**Combining and Individual Fund
Statements and Other Schedules**

General Fund

Town of Brookfield, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Budgetary Basis - General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance With
	Original	Final	Amount	Final Budget
Revenues				
Property taxes	\$ 56,437,922	\$ 56,437,922	\$ 56,652,347	\$ 214,425
Intergovernmental	2,354,667	2,354,667	2,097,586	(257,081)
Charges for services	1,042,047	1,042,047	1,034,149	(7,898)
Interest and lien fees	313,633	313,633	247,499	(66,134)
Investment income	-	-	7,317	7,317
Miscellaneous	130,310	130,310	195,581	65,271
Total revenues	60,278,579	60,278,579	60,234,479	(44,100)
Expenditures				
Current:				
General government	797,161	814,100	658,917	155,183
Land use	710,139	759,996	729,773	30,223
Finance and taxation	1,014,437	1,031,582	1,010,099	21,483
Regional services	301,530	301,530	299,506	2,024
Human resources	4,438,803	4,450,733	4,370,523	80,210
Public works	2,628,269	2,843,227	2,797,677	45,550
Public safety	4,419,692	4,469,292	4,327,197	142,095
Recreation and leisure	714,531	749,688	749,688	-
Social services	208,859	208,859	201,153	7,706
Library	638,819	638,819	638,819	-
Education	38,580,470	38,580,470	38,509,910	70,560
Miscellaneous	1,580,681	1,454,996	1,249,236	205,760
Debt service	4,369,229	4,099,328	4,099,328	-
Total expenditures	60,402,620	60,402,620	59,641,826	760,794
Excess (deficiency) of revenues over expenditures	(124,041)	(124,041)	592,653	716,694
Other Financing Sources (Uses)				
Transfers in	124,041	124,041	310,627	186,586
Transfers out	-	(1,547,000)	(1,547,000)	-
Total other financing sources (uses)	124,041	(1,422,959)	(1,236,373)	186,586
Net change in unassigned fund balance	\$ -	\$ (1,547,000)	(643,720)	\$ 903,280
Unassigned Fund balance, beginning			4,390,610	
Unassigned Fund balances, end of year			\$ 3,746,890	

Town of Brookfield, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2015

Grand List Year	Balance Uncollected June 30, 2014	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected	Collections				Tax Payment Transfer	Refunds Paid Out	Balance Uncollected June 30, 2015
			Additions	Deductions			Taxes	Interest	Lien Fees	Total			
2013	\$ -	\$ 56,761,432	\$ 83,515	\$ 104,175	\$ 4,132	\$ 56,736,640	\$ 56,281,998	\$ 141,254	\$ 1,028	\$ 56,424,280	\$ 5,231	\$ 84,297	\$ 544,170
2012	471,465	-	25,350	8,661	5,743	482,411	310,920	52,994	3,032	366,946	(853)	7,756	178,394
2011	153,262	-	23,238	1,820	14,791	159,889	81,444	16,072	1,235	98,751	(98)	5,082	83,429
2010	84,534	-	590	6,286	12,889	65,949	22,423	6,180	1,703	30,306	(297)	5,634	48,863
2009	54,826	-	391	614	10,365	44,238	2,866	2,058	737	5,661	(149)	-	41,223
2008	66,649	-	446	239	13,307	53,549	1,830	1,364	319	3,513	88	134	51,941
2007	21,755	-	47	140	4,948	16,714	217	199	79	495	-	-	16,497
2006	20,291	-	45	112	1,614	18,610	2,818	1,512	154	4,484	-	-	15,792
2005	7,728	-	61	123	905	6,761	-	-	-	-	-	-	6,761
2004	1,554	-	-	-	448	1,106	-	-	-	-	-	-	1,106
2003	575	-	47	23	339	260	23	87	-	110	-	-	237
2002	191	-	50	25	-	216	25	35	-	60	-	-	191
2001	-	-	42	42	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	129	-	129	-	-	-
	\$ 882,830	\$ 56,761,432	\$ 133,822	\$ 122,260	\$ 69,481	\$ 57,586,343	\$ 56,704,564	\$ 221,755	\$ 8,287	\$ 56,934,606	\$ 3,922	\$ 102,903	\$ 988,604

Town of Brookfield, Connecticut

Schedule of Debt Limitation

Connecticut General Statutes, Section 7-374(b)

For the Year Ended June 30, 2015

Total Cash Collections for the Year Ended

June 30, 2015

Taxes	\$ 56,798,966
Interest and lien fees	243,962
Total	57,042,928
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	(93,610)
Base	\$ 56,949,318

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation					
2-1/4 times base	\$ 128,135,965	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	256,271,929	-	-	-
3-3/4 times base	-	-	213,559,941	-	-
3-1/4 times base	-	-	-	185,085,282	-
3 times base	-	-	-	-	170,847,953
Total debt limitation	128,135,965	256,271,929	213,559,941	185,085,282	170,847,953
Indebtedness					
Bonds payable	12,680,000	21,755,000	1,215,000	-	-
Bond anticipation notes payable	8,230,000	-	3,050,000	-	-
Notes payable	-	-	2,918,306	-	-
Authorized but unissued bonds	255,042	266,541	405,252	-	-
	21,165,042	22,021,541	7,588,558	-	-
Less: amounts to be provided by the state	-	65,563	-	-	-
Less: water and sewer assessments receivable	2,542,089	-	4,671,337	-	-
Total indebtedness	18,622,953	21,955,978	2,917,221	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 109,513,012	\$ 234,315,951	\$ 210,642,720	\$ 185,085,282	\$ 170,847,953
Total Capacity of Borrowing (7 Times Base)	\$ 398,645,223				
Total Present Indebtedness	43,496,152				
Margin for additional borrowing	\$ 355,149,071				

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Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds: Special revenue funds account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes. Nonmajor special revenue funds include the following:

Park and Recreation Fund

A fund created to account for the self-sustaining special recreational, social, and cultural programs.

Police Contract Services Fund

A fund created to account for police special outside duty activities.

Small Cities Grant Fund

A fund created to account for grants received from the federal government.

Police Operating Grants

A fund created to account for grants received from the federal and state governments.

Gurski Property Fund

A fund created to facilitate the collection of rents and operations of rental properties.

Education Grants Fund

A fund created to account for expenditures of educational grants not otherwise accounted for in the general fund.

Cafeteria Fund

A fund created to account for the operation of the school lunch program.

Social Services Fund

A fund created to account for social services activities.

Town Programs Fund

A fund created to account for various proceeds of specific revenue sources that are committed for specified purposes not recorded in another special revenue fund.

Educational Programs Fund

A fund created to account for various proceeds of specific revenue sources that are committed for specified purposes not recorded in another special revenue fund.

OPEB Contributions Fund

A fund created to account for employee contributions for Medicare supplemental benefits for which no trust exists.

BOE Pay to Play

A fund created to account for collection of fees for school activities and sports.

Capital Projects Funds: Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. The nonmajor capital projects fund consists of the following:

Open Space Fund

A fund created to provide for future acquisitions of property to be held as open space.

Capital and Nonrecurring

A fund created to account for the acquisition of capital equipment and other nonrecurring capital expenditures.

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Town of Brookfield, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Nonmajor Special Revenue Funds			
	Park and Recreation Fund	Police Contract Services Fund	Small Cities Grant Fund	Gurski Property Fund
Assets				
Cash and cash equivalents	\$ 432,034	\$ 209,846	\$ 39,257	\$ 144,177
Grants and contracts receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 432,034</u>	<u>\$ 209,846</u>	<u>\$ 39,257</u>	<u>\$ 144,177</u>
Liabilities				
Accounts payable	\$ 55,742	\$ -	\$ -	\$ 3,130
Accrued Expense	-	-	-	-
Due to other funds	47,849	46,454	-	-
Unearned revenue	177,212	-	-	1,100
Total liabilities	<u>280,803</u>	<u>46,454</u>	<u>-</u>	<u>4,230</u>
Fund Balances (Deficits)				
Nonspendable - inventories	-	-	-	-
Restricted	-	-	39,257	-
Committed	151,231	163,392	-	139,947
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>151,231</u>	<u>163,392</u>	<u>39,257</u>	<u>139,947</u>
Total liabilities and fund balances (deficits)	<u>\$ 432,034</u>	<u>\$ 209,846</u>	<u>\$ 39,257</u>	<u>\$ 144,177</u>

Nonmajor Special Revenue Funds						
Educational Grants Fund	Cafeteria Fund	Social Services Fund	Town Programs Fund	Educational Programs Fund	OPEB Contributions Fund	BOE Pay To Play
\$ 29,804	\$ 212,403	\$ 23,236	\$ 190,021	\$ 398,408	\$ 88,415	\$ 85,184
-	10,871	-	-	-	-	-
103,204	-	-	-	24,115	-	-
-	2,935	-	-	-	-	-
<u>\$ 133,008</u>	<u>\$ 226,209</u>	<u>\$ 23,236</u>	<u>\$ 190,021</u>	<u>\$ 422,523</u>	<u>\$ 88,415</u>	<u>\$ 85,184</u>
\$ 44,333	\$ -	\$ -	\$ 16,379	\$ 422,256	\$ -	\$ 1,920
22,638	-	-	-	267	-	-
-	-	-	11,738	-	-	-
67,717	-	-	-	-	-	-
<u>134,688</u>	<u>-</u>	<u>-</u>	<u>28,117</u>	<u>422,523</u>	<u>-</u>	<u>1,920</u>
-	2,935	-	-	-	-	-
-	-	-	-	-	-	-
-	223,274	23,236	161,904	-	88,415	83,264
(1,680)	-	-	-	-	-	-
<u>(1,680)</u>	<u>226,209</u>	<u>23,236</u>	<u>161,904</u>	<u>-</u>	<u>88,415</u>	<u>83,264</u>
<u>\$ 133,008</u>	<u>\$ 226,209</u>	<u>\$ 23,236</u>	<u>\$ 190,021</u>	<u>\$ 422,523</u>	<u>\$ 88,415</u>	<u>\$ 85,184</u>

(Continued)

Town of Brookfield, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Nonmajor Capital Project Funds		
	Open Space Fund	Capital and Non-Recurring Fund	Total Nonmajor Governmental Fund
Assets			
Cash and cash equivalents	\$ 132,096	\$ 8,799	\$ 1,993,680
Grants and contracts receivable	-	-	10,871
Due from other funds	-	250,187	377,506
Inventories	-	-	2,935
Total assets	\$ 132,096	\$ 258,986	\$ 2,384,992
Liabilities			
Accounts payable	\$ -	\$ 170,672	\$ 714,432
Accrued Expense	-	-	22,905
Due to other funds	-	-	106,041
Unearned revenue	-	-	246,029
Total liabilities	-	170,672	1,089,407
Fund Balances (Deficits)			
Nonspendable - inventories	-	-	2,935
Restricted	-	-	39,257
Committed	132,096	88,314	1,255,073
Unassigned	-	-	(1,680)
Total fund balances (deficits)	132,096	88,314	1,295,585
Total liabilities and fund balances (deficits)	\$ 132,096	\$ 258,986	\$ 2,384,992

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Town of Brookfield, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Nonmajor Special Revenue Funds			
	Park and Recreation Fund	Police Contract Services Fund	Small Cities Grant Fund	Gurski Property Fund
Revenues				
Intergovernmental	\$ -	\$ -	\$ 295,945	\$ -
Charges for services	482,508	528,082	-	55,050
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	482,508	528,082	295,945	55,050
Expenditures				
Current:				
General government	-	-	256,688	21,430
Public safety	-	487,516	-	-
Recreation	479,451	-	-	-
Social services	-	-	-	-
Education	-	-	-	-
Other Expenses	-	-	-	-
Total expenditures	479,451	487,516	256,688	21,430
Excess (deficiency) of revenues over expenditures	3,057	40,566	39,257	33,620
Other Financing Sources (Uses)				
Capital lease financing	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	3,057	40,566	39,257	33,620
Fund Balances (Deficits) - Beginning	148,174	122,826	-	106,327
Fund Balances (Deficits) - Ending	\$ 151,231	\$ 163,392	\$ 39,257	\$ 139,947

Nonmajor Special Revenue Funds						
Educational Grants Fund	Cafeteria Fund	Social Services Fund	Town Programs Fund	Educational Programs Fund	OPEB Contributions Fund	BOE Pay to Play
\$ 639,754	\$ 103,110	\$ -	\$ 72,984	\$ 977,119	\$ -	\$ -
-	460,709	-	40,817	-	-	247,807
-	-	26,844	-	-	94,819	-
-	-	16	-	-	(934)	-
639,754	563,819	26,860	113,801	977,119	93,885	247,807
-	-	-	105,979	-	201,788	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	26,484	-	-	-	-
641,434	482,930	-	-	864,964	-	168,474
-	-	-	-	-	-	-
641,434	482,930	26,484	105,979	864,964	201,788	168,474
(1,680)	80,889	376	7,822	112,155	(107,903)	79,333
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(310,627)	-	-
-	-	-	-	(310,627)	-	-
(1,680)	80,889	376	7,822	(198,472)	(107,903)	79,333
-	145,320	22,860	154,082	198,472	196,318	3,931
\$ (1,680)	\$ 226,209	23,236	\$ 161,904	\$ -	\$ 88,415	\$ 83,264

(Continued)

Town of Brookfield, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Nonmajor Capital Project Funds		
	Open Space Fund	Capital and Non-Recurring Fund	Total Nonmajor Governmental Fund
Revenues			
Intergovernmental	\$ -	-	\$ 2,088,912
Charges for services	-	97,422	1,912,395
Contributions	-	-	121,663
Investment income	1	-	(917)
Total revenues	1	97,422	4,122,053
Expenditures			
Current:			
General government	-	-	585,885
Public safety	-	-	487,516
Recreation	-	-	479,451
Social services	-	-	26,484
Education	-	-	2,157,802
Capital outlays	-	1,087,998	1,087,998
Total expenditures	-	1,087,998	4,825,136
Excess (deficiency) of revenues over expenditures	1	(990,576)	(703,083)
Other Financing Sources (Uses)			
Capital lease financing	-	618,311	618,311
Transfers in	-	557,069	557,069
Transfers out	-	-	(310,627)
Total other financing sources (uses)	-	1,175,380	864,753
Net change in fund balances (deficits)	1	184,804	161,670
Fund Balances (Deficits) - Beginning	132,095	(96,490)	1,133,915
Fund Balances (Deficits) - Ending	\$ 132,096	\$ 88,314	\$ 1,295,585

Fiduciary Funds

Agency Funds

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Student Activities Funds

To account for monies generated by student activities in the Town's school system.

Performance Bonds Fund

To account for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction

Town of Brookfield, Connecticut

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2015

	Student Activities	Performance Bonds	Total Agency Funds
Assets			
Cash and cash equivalents	\$ 428,966	\$ 340,904	\$ 769,870
Due from other funds	24,145	-	24,145
Total assets	\$ 453,111	\$ 340,904	\$ 794,015
Liabilities			
Due to Student Groups and Other	453,111	\$ 340,904	\$ 794,015
Total liabilities	\$ 453,111	\$ 340,904	\$ 794,015

Town of Brookfield, Connecticut

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2015

	Balance, July 1, 2014	Additions	Deletions	Balance, June 30, 2015
Student Activities				
Assets				
Cash and cash equivalents	\$ 377,302	\$ 550,448	\$ 498,784	\$ 428,966
Due from other funds	-	24,145	-	24,145
Total assets	\$ 377,302	\$ 574,593	\$ 498,784	\$ 453,111
Liabilities				
Due to others	\$ 377,302	\$ 574,593	\$ 498,784	\$ 453,111
Total liabilities	\$ 377,302	\$ 574,593	\$ 498,784	\$ 453,111
Performance Bonds				
Assets				
Cash and cash equivalents	\$ 22,231	\$ 318,724	\$ 51	\$ 340,904
Nonspendable	345,281	-	345,281	-
Total assets	\$ 367,512	\$ 318,724	\$ 345,332	\$ 340,904
Liabilities				
Accounts Payable	367,512	11,114	37,722	\$ 340,904
Total liabilities	\$ 367,512	\$ 11,114	\$ 37,722	\$ 340,904
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 399,533	\$ 869,172	\$ 498,835	\$ 769,870
Due from other funds	345,281	24,145	345,281	24,145
Total assets	\$ 744,814	\$ 893,317	\$ 844,116	\$ 794,015
Liabilities				
Due to others	\$ 377,302	\$ 574,593	\$ 498,784	\$ 453,111
Accounts Payable	367,512	11,114	37,722	340,904
Total liabilities	\$ 744,814	\$ 585,707	\$ 536,506	\$ 794,015

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	89
Revenue Capacity	
These schedules contain information to help the reader understand how the Town generates its property taxes.	96
Debt Capacity	
These schedules present information to help the reader access the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	99
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	102
Operating Information	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	105
Sources:	Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year.

Net Position By Component
Last Ten Fiscal Years
(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 25,368,071	\$ 18,946,692	\$ 28,858,038	\$ 26,101,476	\$ 30,004,931	\$ 34,926,160	\$ 32,104,917	\$ 39,787,027	\$ 41,445,707	\$ 41,150,924
Unrestricted (deficit)	(2,056,449)	10,962,009	2,271,866	6,386,396	(1,685,745)	(4,259,110)	(3,889,879)	(11,223,787)	(13,486,951)	(10,048,474)
Total governmental activities net position	\$ 23,311,622	\$ 29,908,701	\$ 31,129,904	\$ 32,487,872	\$ 28,319,186	\$ 30,667,050	\$ 28,215,038	\$ 28,563,240	\$ 27,958,756	\$ 31,102,450
Business-type Activities										
Net investment in capital assets										
assets	\$ -	\$ -	\$ -	\$ -	\$ 3,105,454	\$ 3,259,155	\$ 3,794,194	\$ 5,239,501	\$ 5,860,791	\$ 5,860,791
Restricted	-	-	-	-	1,585,682	1,613,750	1,752,064	990,744	10,718,899	733,458
Unrestricted	-	-	-	-	8,195,151	6,919,889	6,016,518	6,034,558	8,789,902	6,381,274
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ 12,886,287	\$ 11,792,794	\$ 11,562,776	\$ 12,264,803	\$ 25,369,592	\$ 12,975,523
Primary Government										
Net investment in capital assets	\$ 25,368,071	\$ 18,946,692	\$ 28,858,038	\$ 26,101,476	\$ 33,110,385	\$ 38,185,315	\$ 35,899,111	\$ 45,026,528	\$ 45,407,893	\$ 47,011,715
Nonspendable	-	-	-	-	1,585,682	1,613,750	1,752,064	990,744	1,071,899	733,458
Unrestricted (deficit)	(2,056,449)	10,962,009	2,271,866	6,386,396	6,509,406	2,660,779	2,126,639	(5,189,229)	(4,697,049)	(3,667,200)
Total primary government net position	\$ 23,311,622	\$ 29,908,701	\$ 31,129,904	\$ 32,487,872	\$ 41,205,473	\$ 42,459,844	\$ 39,777,814	\$ 40,828,043	\$ 41,782,743	\$ 44,077,973

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

Town of Brookfield, Connecticut

**Changes in Net Position
Last Ten Fiscal Years
(unaudited)**

	2006	2007	2008	2009
Expenses				
Governmental Activities				
General government	\$ 1,456,360	\$ 1,892,693	\$ 2,373,622	\$ 3,168,764
Land use	851,244	989,559	1,054,184	1,066,379
Finance and taxation	948,680	929,606	972,642	1,098,285
Regional services	230,558	244,196	253,947	259,999
Social services	287,240	288,589	316,340	358,269
Public works	4,378,867	4,182,941	4,422,022	5,322,372
Public safety	4,820,305	4,977,607	5,353,976	7,233,099
Recreation and leisure	1,384,573	1,433,703	1,518,443	1,413,707
Library	526,993	610,771	560,880	590,484
Education	35,688,884	36,869,491	48,246,172	40,444,134
Interest expense	1,401,319	1,814,530	1,764,914	1,789,205
Total governmental activities expenses	51,975,023	54,233,686	66,837,142	62,744,697
Business-type Activities				
Nonspendable	-	-	-	-
Total primary government expenses	51,975,023	54,233,686	66,837,142	62,744,697
Program Revenues				
Governmental Activities				
Charges for services:				
General government	1,958,311	1,652,642	1,747,075	2,179,610
Land use	399,425	300,476	578,189	358,116
Social services	30,203	-	30,561	29,890
Public works	1,333,630	1,151,543	1,104,522	1,087,432
Public safety	222,787	208,283	523,371	740,478
Recreation and leisure	590,593	608,872	579,825	533,669
Library	33,193	39,245	27,987	22,999
Education	789,587	725,976	780,962	612,838
Operating grants and contributions	4,600,486	4,528,734	14,999,221	5,863,799
Capital grants and contributions	234,889	4,576,306	1,124,781	4,095,032
Total governmental activities program revenues	10,193,104	13,792,077	21,496,494	15,523,863
Business-type Activities				
Charges for Services:				
Water Pollution Control Authority	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	-	-	-	-
Total primary government program revenues	10,193,104	13,792,077	21,496,494	15,523,863
Net (Expense) Revenue				
Primary Government	(41,781,919)	(40,441,609)	(45,340,648)	(47,220,834)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for general purposes	42,757,445	45,159,250	45,405,068	47,773,200
Grants and contributions not restricted to specific purposes	453,575	471,937	431,200	422,659
Unrestricted investment earnings	1,028,079	1,210,640	725,583	382,944
Miscellaneous	-	196,861	-	-
Special item	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	44,239,099	47,038,688	46,561,851	48,578,803
Business-type Activities				
Unrestricted investment earnings	-	-	-	-
Special item	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Changes in Net Assets				
Primary government	\$ 2,457,180	\$ 6,597,079	\$ 1,221,203	\$ 1,357,969

Note: On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

(1) Variance due to an expense classification change.

(1) Variance due to on-behalf pension payments due to a one-time State contribution change.

TABLE 2

	2010	2011	2012	2013	2014	2015
\$	3,236,356	\$ 3,384,514	\$ 2,646,419	\$ 1,539,957	\$ 1,845,178	\$ 1,826,188
	808,734	910,401	1,027,887	1,016,439	1,087,449	1,082,727
	971,491	984,531	1,243,006	1,311,960	1,388,823	1,446,100
	257,475	260,878	294,936	426,111	404,441	418,039
	266,374	319,091	397,741	310,802	349,892	356,468
	3,615,244	5,435,550	4,639,251	4,754,995	4,623,746	5,249,847
	6,570,991	6,666,599	6,965,608	6,389,191	6,784,987	6,893,613
	1,418,325	1,343,999	1,492,312	1,654,469	1,655,741	1,716,604
	604,174	579,707	633,393	854,719	930,408	954,604
	40,949,902	42,808,417	45,948,389	46,721,391	48,992,578	49,130,114
	1,668,670	1,627,959	1,393,154	1,287,079	1,078,372	1,242,245
	60,367,736	64,321,646	66,682,096	66,267,113	69,141,615	70,316,549
	1,027,904	1,117,371	1,281,033	1,265,639	1,284,431	2,146,289
	61,395,640	65,439,017	67,963,129	67,532,752	70,426,046	72,462,838
	532,488	517,002	400,725	699,598	950,466	610,496
	217,172	262,770	520,956	488,500	407,633	559,033
	-	-	35,234	-	-	-
	7,200	4,092,511	-	191,911	287,664	310,205
	506,941	211,352	351,875	415,953	489,217	617,090
	447,659	507,063	419,256	490,779	466,776	482,508
	16,500	21,210	-	89,678	13,796	13,796
	908,134	871,898	569,635	560,634	622,962	708,516
	6,218,507	6,279,077	7,945,030	7,423,418	8,968,295	8,709,418
	4,118,164	1,711,939	617,113	132,474	403,880	863,240
	12,972,765	14,474,822	10,859,824	10,492,945	12,610,689	12,874,302
	5,240,464	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162
	1,110,699	-	-	-	-	-
	6,351,163	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162
	19,323,928	15,989,734	11,973,255	12,235,784	15,451,878	14,127,464
	(42,071,712)	(49,449,283)	(55,989,874)	(55,296,968)	(54,974,168)	(58,335,374)
	47,940,182	50,151,334	52,071,749	53,355,509	55,569,727	57,009,351
	341,533	341,569	1,163,851	445,994	166,529	73,565
	182,366	181,757	62,643	23,940	15,868	8,382
	-	-	-	-	188,114	195,581
	-	-	-	1,147,500	-	-
	(1,701,171)	1,520,028	72,017	-	-	-
	46,762,910	52,194,688	53,370,260	54,972,943	55,940,238	57,286,879
	6,042	28,994	9,601	18,210	2,426	44,663
	-	-	(72,017)	(617,634)	-	-
	1,701,171	(1,520,028)	-	-	-	-
	1,707,213	(1,491,034)	(62,416)	(599,424)	2,426	44,663
\$	6,398,411	\$ 1,254,371	\$ (2,682,030)	\$ (923,449)	\$ 968,496	\$ (1,003,832)

Program Revenues By Function/Program
Last Ten Fiscal Years
(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Governmental Activities										
General government	\$ 1,973,169	\$ 2,045,876	\$ 1,945,033	\$ 2,338,761	\$ 589,694	\$ 570,497	\$ 464,770	\$ 778,068	\$ 1,264,542	\$ 1,112,060
Land use	399,425	300,476	578,189	358,116	217,172	262,770	522,194	488,500	407,633	559,033
Finance and taxation	-	-	-	-	-	-	-	-	-	-
Regional services	-	-	-	-	-	-	-	-	-	-
Public works	1,519,383	1,381,849	1,977,953	1,357,634	2,261,681	5,471,585	1,165,745	737,212	1,099,179	1,573,587
Public safety	378,963	212,734	550,732	801,283	539,048	230,569	423,864	434,857	491,315	625,395
Recreation and leisure	625,593	608,872	579,825	533,669	1,525,056	667,512	669,256	490,779	467,576	482,508
Social services	30,203	-	51,761	60,545	3,105	-	76,909	25,259	15,398	26,844
Library	36,032	42,252	56,537	26,362	25,250	24,939	3,096	92,719	13,796	13,796
Education	5,230,336	9,200,018	15,756,464	10,047,493	7,811,759	7,246,950	7,533,990	7,445,551	8,851,250	8,481,079
Total governmental activities	10,193,104	13,792,077	21,496,494	15,523,863	12,972,765	14,474,822	10,859,824	10,492,945	12,610,689	12,874,302
Business-type Activities										
Water Pollution Control Authority										
Capital projects funds	-	-	-	-	6,351,163	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162
Total primary government	\$ 10,193,104	\$ 13,792,077	\$ 21,496,494	\$ 15,523,863	\$ 19,323,928	\$ 15,989,734	\$ 11,973,255	\$ 12,235,784	\$ 15,451,878	\$ 14,127,464

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

Town of Brookfield, Connecticut

TABLE 4

**Fund Balances - Governmental Funds
Last Ten Fiscal Years
(unaudited)**

	2006	2007	2008	2009	2010
General Fund					
Unreserved	\$ 3,938,006	\$ 4,083,405	\$ 2,693,690	\$ 2,427,650	\$ 4,327,757
Total general fund	3,938,006	4,083,405	2,693,690	2,427,650	4,327,757
All Other Governmental Funds					
Reserved	10,465	11,252	21,285	410,867 ⁽¹⁾	3,657 ⁽¹⁾
Unreserved, reported in:					
Special revenue funds	4,547,112	4,838,729	4,328,987	4,454,174	1,659,977
Capital projects funds	(10,382,742)	1,494,148	(5,831,664)	(9,466,799)	(824,325)
Total all other governmental funds	\$ (5,825,165)	\$ 6,344,129	\$ (1,481,392)	\$ (4,601,758)	\$ 839,309
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 25,145	\$ -	\$ -	\$ -	\$ -
Committed	1,073,619	635,831	2,066,876	1,387,364	1,387,364
Unassigned	4,229,362	5,409,797	3,695,461	3,746,890	3,746,890
Total general fund	\$ 5,328,126	\$ 6,045,628	\$ 5,762,337	\$ 5,134,254	\$ 5,134,254
All Other Governmental Funds					
Nonspendable	\$ 8,289	\$ 2,587	\$ 2,863	\$ 3,007	\$ 2,935
Restricted	-	-	-	-	39,257
Committed	2,328,410	1,730,538	2,182,417	2,075,781	1,703,889
Unassigned	(3,290,039)	(6,695,764)	(4,771,668)	(6,127,015)	(8,637,700)
Total all other governmental funds	\$ (953,340)	\$ (4,962,639)	\$ (2,586,388)	\$ (4,048,227)	\$ (6,891,619)

Note: The Town adjusted fund balance presentation in accordance with GASB Statement No. 54, implemented in fiscal year 2011.

(1) Increase represents reservation for advance to other fund recorded in 2009.

Changes in Fund Balance - Governmental Funds
Last Ten Fiscal Years
(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$ 42,986,558	\$ 45,259,050	\$ 45,569,634	\$ 47,598,170	\$ 48,180,787	\$ 50,203,076	\$ 52,268,521	\$ 53,369,182	\$ 55,535,626	\$ 56,899,846
Intergovernmental	5,388,197	9,697,916	16,656,203	10,469,503	10,639,056	8,016,811	8,903,755	8,118,605	9,647,035	9,702,308
Charges for services	4,327,606	3,700,743	4,199,740	3,756,852	2,484,971	3,030,153	2,602,180	3,009,722	3,139,539	3,167,421
Contributions	54,605	62,556	35,843	23,016	33,742	350,185	62,398	157,837	367,054	517,087
Investment earnings	999,254	1,156,978	718,253	368,886	182,366	181,757	62,643	23,940	15,868	8,382
Miscellaneous	359,278	384,526	375,103	354,345	281,781	77,999	71,116	-	-	-
Total revenues	54,115,498	60,261,769	67,554,776	62,570,772	61,802,703	61,859,981	63,970,613	64,679,286	68,705,122	70,295,044
Expenditures										
General government	1,646,256	1,676,337	1,839,303	629,083	611,750	723,756	936,439	1,222,118	961,481	1,767,446
Land use	617,527	698,684	741,204	674,742	559,896	646,704	980,961	1,004,987	749,972	729,774
Finance and taxation	716,855	669,230	687,166	700,312	710,430	720,834	1,186,258	1,285,670	969,462	1,010,098
Regional services	230,558	244,196	253,947	259,999	257,475	260,878	281,471	398,574	293,244	299,506
Social services	217,795	212,103	228,738	224,824	186,142	196,219	337,818	298,375	226,831	227,637
Public works	2,486,452	2,727,326	3,129,086	3,315,933	2,408,388	2,836,276	4,011,924	4,032,872	2,660,320	2,797,598
Public safety	3,381,780	3,476,505	3,759,787	4,096,271	3,911,796	3,980,577	5,583,809	5,945,925	4,743,791	4,779,566
Recreation and leisure	1,128,574	1,187,260	1,238,601	1,131,231	1,031,530	1,126,837	1,350,869	1,478,453	1,203,938	1,229,139
Human resources	2,460,957	2,346,332	2,778,766	3,075,699	3,203,006	3,296,242 ⁽¹⁾	581,604	156,902	4,496,450	4,655,123
Library	526,993	560,915	560,880	589,836	566,674	579,707	604,477	847,252	641,807	653,516
Education	34,989,577	36,270,060	47,463,828	38,711,580	39,340,529	41,091,299	42,021,865	43,284,312	45,253,091	45,204,713
Miscellaneous	104,729	110,879	67,301	18,834	-	-	-	-	-	-
Capital outlays	5,785,024	21,366,430	8,854,394	7,306,615	6,652,371	6,915,700	6,666,659	6,553,896	4,939,841	7,122,275
Debt service:										
Interest	1,427,693	1,871,760	1,752,195	1,817,685	1,682,830	1,428,907	1,574,516	1,463,516	1,177,148	1,161,795
Principal	1,924,978	1,850,224	3,414,816	3,404,534	2,917,214	2,956,297	3,181,298	3,117,523	3,096,709	3,294,603
Total expenditures	57,645,748	75,268,241	76,770,012	65,957,178	64,040,031	66,760,233	69,299,968	71,090,375	71,414,085	74,932,789
Excess of revenues over (under) expenditures	(3,530,250)	(15,006,472)	(9,215,236)	(3,386,406)	(2,237,328)	(4,900,252)	(5,329,355)	(6,411,089)	(2,708,963)	(4,637,745)

(Continued)

Changes in Fund Balance - Governmental Funds (Continued)
Last Ten Fiscal Years
(unaudited)

	2006	2007	2008	2009	2010	2011	2012 (As Restated)	2013	2014	2015
Other Financing Sources (Uses)										
Issuance of bonds and BANs	\$ -	\$ 26,000,000	\$ -	\$ -	\$ 8,705,000	\$ 440,000	\$ -	\$ 7,335,000	\$ 8,580,000	\$ 6,151,952
Premium on bonds and BANs issued	-	-	-	-	-	278,860	-	113,327	-	-
Payment on BANS	-	-	-	-	-	-	-	-	(7,335,000)	-
Payment to escrow	-	-	-	-	-	-	-	-	-	(5,376,098)
Issuance of note payable	-	-	-	-	190,505	827,361	-	-	-	-
Issuance of bond anticipation note	-	-	-	-	-	-	-	-	-	-
Capital leases	293,312	1,321,165	-	-	-	571,100	-	613,014	240,027	-
Proceeds from settlement	-	-	-	2,161,433	-	-	892,558	1,147,500	-	-
Transfers in	1,697,885	2,090,803	1,698,852	(2,161,433)	4,284,723	2,775,015	2,137,105	952,915	1,048,588	1,509,863
Transfers out	(1,697,885)	(2,090,803)	(1,698,852)	-	(5,484,191)	(784,364)	(992,105)	(952,915)	(1,048,588)	(1,509,863)
Total other financing sources (uses)	293,312	27,321,165	-	-	7,696,037	4,107,972	2,037,558	9,208,841	1,485,027	775,854
Net change in fund balances	\$ (3,236,938)	\$ 12,314,693	\$ (9,215,236)	\$ (3,386,406)	\$ 5,458,709	\$ (792,280)	\$ (3,291,797)	\$ 2,797,752	\$ (1,223,936)	\$ (3,861,891)
Debt service as a percentage of noncapital expenditures	6.70%	7.27%	8.09%	8.70%	7.90%	7.13%	7.21%	7.07%	6.43%	6.54%

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Therefore, capital expenditures for infrastructure were not capitalized prior to the implementation of GASB Statement No. 34 and are not included in the debt service as a percentage of noncapital expenditures ratio above.

On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

(1) During fiscal year 2013, employee benefits and insurance has been allocated to the Town's various functions.

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)**

Fiscal Year Ended June 30,	Real Property				Motor Vehicle and Personal Properties			(1) Total Direct Tax Rate
	Assessed Value	Less Exempt Property	Net Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Assessed Value	Estimated Actual Value	
2006	\$ 1,661,277,750	\$ 85,490,260	\$ 1,575,787,490	\$ 2,373,253,929	70.00%	\$ 217,329,067	\$ 310,470,096	23.90%
2007	1,697,548,990	84,160,420	1,613,388,570	2,425,069,986	70.00%	230,376,830	329,109,757	24.58%
2008	2,448,015,735	118,641,780	2,329,373,955	3,497,165,336	70.00%	222,713,499	318,162,141	17.96%
2009	2,471,006,230	120,199,530	2,350,806,700	3,530,008,900	70.00%	228,607,246	326,581,780	18.65%
2010	2,480,042,175	119,706,800	2,360,335,375	3,542,917,393	70.00%	213,759,358	305,370,511	18.86%
2011	2,495,132,385	119,244,040	2,375,888,345	3,564,474,836	70.00%	227,621,559	325,173,656	19.47%
2012	2,500,293,785	118,458,230	2,381,835,555	3,571,848,264	70.00%	234,524,412	335,034,874	19.94%
2013	2,051,805,646	122,540,180	1,929,265,466	2,931,150,923	70.00%	241,452,533	344,932,190	24.54%
2014	2,064,632,840	122,468,640	1,942,164,200	2,949,475,486	70.00%	239,890,378	342,700,540	25.40%
2015	2,077,609,280	122,538,940	1,955,070,340	2,835,447,276	73.27%	253,428,236	362,040,337	25.70%

(1) The Total Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

Note: In accordance with Connecticut General Statutes, the assessed value is calculated as 70% of the estimated actual taxable value.

A revaluation was completed effective October 1, 2006 (fiscal year 2008) and effective October 1, 2011 (Fiscal Year 2013).

Source: Town of Brookfield, Office of the Assessor (Equalized Net Grand List Report).

Town of Brookfield, Connecticut

TABLE 7

Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

Taxpayers	Nature of Business	2015			2006		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Connecticut Light and Power	Utility	\$ 26,060,530	1	1.16%	\$ 17,936,530	1	1.03%
Iroquois Gas Transmission System, LP	Utility	25,391,630	2	1.13%	-	-	-
R&F Danbury LLC	Shopping Center	23,544,590	3	1.05%	13,353,413	-	0.76%
S&W BROOKFIELD LLC (BJ'S)	Shopping Center	19,076,180	4	0.85%	-	-	-
Gary and Dennis Michael(Costco)	Shopping Center	14,267,930	5	0.64%	10,754,250	3	0.62%
Photronics Labs, Inc.	Manufacturing	10,455,540	6	0.47%	7,934,510	5	0.45%
Brookfield E&A LLC	Shopping Center	10,082,570	7	0.45%	6,677,960	6	0.38%
WRL Brookfield LLC	Shopping Center	10,004,930	8	0.45%	-	-	-
246A Federal Road Brookfield LLC	Real Estate	8,862,210	9	0.40%	6,601,980	7	0.38%
Silvermine Building Three LLC	Manufacturing	7,291,860	10	0.33%	-	-	-
Young Roy	Warehouse	-	-	-	14,998,850	2	0.86%
Danbury Properties	Real Estate	-	-	-	4,915,390	8	0.28%
Ability Beyond Disability	Group Homes	-	-	-	4,604,840	9	0.26%
Westrock Brookfield LLC	Manufacturing	-	-	-	4,550,030	10	0.26%
Total		<u>\$ 155,037,970</u>		<u>6.93%</u>	<u>\$ 92,327,753</u>		<u>5.28%</u>
Total Town Taxable Assessed Value		<u>\$ 2,240,190,086</u>			<u>\$ 1,748,380,900</u>		

Source: Town of Brookfield, Offices of the Tax Collector and the Assessor

Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 42,667,101	\$ 42,080,189	98.62%	\$ 583,566	\$ 42,663,755	99.99%
2007	45,018,815	44,549,401	98.96%	452,523	45,001,924	99.96%
2008	45,569,609	45,066,134	98.90%	474,081	45,540,215	99.94%
2009	47,616,362	47,042,795	98.80%	538,406	47,581,201	99.93%
2010	48,047,404	47,501,986	98.86%	461,199	47,963,185	99.82%
2011	50,110,715	49,538,893	98.86%	495,148	50,034,041	99.85%
2012	51,739,800	51,325,201	99.20%	264,482	51,589,683	99.71%
2013	53,069,522	52,403,685	98.75%	449,871	52,853,556	99.59%
2014	55,281,619	54,942,816	99.39%	468,421	55,411,237	100.23%
2015	56,761,432	56,281,998	99.16%	422,568	56,704,566	99.90%

Source: Town of Brookfield, Office of the Tax Collector.

Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Actual Property Value (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Notes and Loans Payable	Capital Leases	General Obligation Bonds	Notes and Loans Payable				
2006	\$ 16,320,000	\$ 871,485	\$ 254,061	\$ -	\$ -	\$ 17,445,546	0.65%	2.88%	1,067
2007	40,820,000	755,955	1,612,268	-	-	43,188,223	1.57%	7.06%	2,616
2008	37,960,000	8,638,174	1,175,273	-	-	47,773,447	1.25%	7.85%	2,908
2009	35,115,000	11,262,974	735,939	-	-	47,113,913	1.22%	7.74%	2,871
2010	30,570,240	9,477,877	428,725	1,749,760	3,995,348	46,221,950	1.20%	7.55%	2,800
2011	37,155,000	931,071	680,323	2,010,000	3,828,971	44,605,365	1.15%	5.76%	2,711
2012	34,290,000	849,996	445,100	1,805,000	3,545,552	40,935,648	1.05%	4.46%	2,454
2013	31,505,000	766,791	808,796	1,600,000	3,256,413	37,937,000	1.16%	4.58%	2,283
2014	36,085,000	681,381	693,130	1,395,000	3,083,500	41,938,011	1.42%	5.07%	2,499
2015	34,435,000	-	847,875	1,215,000	2,918,306	39,416,181	1.39%	4.84%	2,338

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

(1) See Table 6 for taxable property value data

(2) See Table 11 for population and personal income data

TABLE 10

Total Direct Debt, Total Net Direct Debt and Total Overall Net Debt Per Capita & Ratios of Total Direct Debt and Total Net Direct Debt to the Net Taxable Grand List			
CURRENT DEBT RATIOS 11/19/15			
Population			17,055
Net Taxable Grand List			\$2,240,190,086
Estimated Full Value			\$3,200,271,551
Equalized Net Taxable Grand List			\$3,191,616,523
Money Income per Capita			\$48,277
	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<u>\$ 54,292,504</u>	<u>\$ 40,229,437</u>	<u>\$ 40,229,437</u>
Per Capita	\$2,964.30	\$2,358.81	\$2,358.81
Ratio to Net Taxable Grand List	2.42%	1.80%	1.80%
Ratio to Estimated Full Value	1.70%	1.26%	1.26%
Ratio to Equalized Grand List	1.70%	1.26%	1.26%
Debt per Capita to Money Income per Capital	6.59%	4.89%	4.89%

Town of Brookfield, Connecticut

TABLE 11

Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 299,112,611	\$ 315,709,030	\$ 319,084,864	\$ 332,998,274	\$ 336,750,596	\$ 351,449,476	\$ 365,624,630	\$ 372,515,290	\$ 388,423,532	\$ 398,645,223
Total net debt applicable to limit	34,645,415	36,569,019	42,173,611	43,181,424	45,059,507	35,027,076	32,440,727	40,823,237	50,233,162	43,496,152
Legal debt margin	<u>\$ 264,467,196</u>	<u>\$ 279,140,011</u>	<u>\$ 276,911,253</u>	<u>\$ 289,816,850</u>	<u>\$ 291,691,089</u>	<u>\$ 316,422,400</u>	<u>\$ 333,183,903</u>	<u>\$ 331,692,053</u>	<u>\$ 338,190,370</u>	<u>\$ 355,149,071</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>11.58%</u>	<u>11.58%</u>	<u>13.22%</u>	<u>12.97%</u>	<u>13.38%</u>	<u>9.75%</u>	<u>8.87%</u>	<u>10.96%</u>	<u>12.93%</u>	<u>10.91%</u>

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may use to 7 times total tax collections, including interest and lien fees and the tax relief reimbursements.

Town of Brookfield, Connecticut

TABLE 12

Demographic and Economic Statistics
Last Ten Calendar Years
(unaudited)

Year	Population (1)	(1) Personal Income	(1) Personal Capita Personal Income	(1) Median Age	Education Level in Years of Schooling	(2) School Enrollment	(3) Unemployment Rate
2006	16,354	\$ 606,128,302	\$ 37,063	39.2	14.0	3,118	3.3%
2007	16,507	611,798,941	37,063	39.2	14.0	2,971	3.8%
2008	16,429	608,908,027	37,063	39.2	14.0	2,969	3.5%
2009	16,413	608,315,019	37,063	39.2	14.0	2,948	6.9%
2010	16,510	611,910,130	37,063	39.2	14.0	2,936	7.2%
2011	16,452	774,774,036	47,093	40.8	14.0	2,879	6.8%
2012	16,680	918,133,920	55,044	40.5	14.0	2,857	6.2%
2013	16,617	828,723,024	49,872	42.9	14.0	2,795	6.1%
2014	16,783	827,737,560	49,320	42.8	14.0	2,809	5.5%
2015	16,860	813,950,220	48,277	44.1	14.0	2,779	5.2%

(1) U.S. Department of Commerce, Bureau of Census, Department of Public Health

(2) Town of Brookfield, Board of Education

(3) US Census Survey

Source: Town of Brookfield, Office of the Town Clerk

MAJOR EMPLOYERS As of October 2014		
Employer	Product	Estimated Number of Employees
Eastern Account Systems, Inc.	Call Center	850
Town of Brookfield	Municipality	490
COSTCO	Retail	255
Shop Rite	Retail	216
United Parcel Service	Delivery Service	209
Photronics Labs	Electronic Manufacturing - World Headquarters	165
Wentworth Labs	Precision equipment	100
Kohl's	Retail	95
Source: Telephone Survey of employers		

Town of Brookfield, Connecticut

TABLE 14

Full-Time Equivalent Town Government Employees By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Selectman	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human Resources/Operations	1.5	1.5	1.5	2.5	2.5	1.5	1.5	1.5	1.5	1.5
Land Use	16.9	16.9	16.9	10.0	10.5	10.5	10.5	10.5	10.5	10.5
Finance and Taxation	11.0	11.0	11.0	7.5	10.5	11.5	10.5	10.5	10.5	10.5
Public Works	16.4	16.4	16.4	14.5	16.0	16.0	16.0	16.0	18.0	18.0
Public Safety										
Officers	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	32.0	32.0
Civilians	10.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Recreation and Leisure	10.5	10.5	10.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5
Library	10.0	10.0	10.0	9.5	9.5	9.5	9.5	9.5	10.5	10.5
Education	410.0	421.0	388.4	376.5	378.0	375.5	376.9	384.9	382.0	383.0
School enrollment	-	-	2,969	2,948	2,936	2,879	2,857	2,795	2,809	2,779
Total	521.9	532.3	3,468.7	3,420.0	3,415.5	3,356.0	3,334.4	3,280.4	3,295.5	3,266.5

Source: Town of Brookfield, Human Resources Office

Operating Indicators By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Land Use										
Residential Construction Permits Issued	459	275	282	145	238	257	288	318	274	316
Commercial Construction Permits Issued	92	66	82	45	106	111	106	138	81	64
Police										
General service calls	4,036	4,243	5,562	7,017	4,695	6,925	6,501	5,614	7,406	9,071
Criminal investigations	806	821	733	698	660	718	709	617	611	620
Non-criminal investigations	40	37	38	46	74	100	82	98	66	70
Traffic enforcement	5,650	5,426	6,574	5,188	4,668	4,920	3,908	4,425	4,314	4,710
Alarms	1,198	1,277	1,211	1,146	1,050	1,100	1,134	1,105	1,070	1,110
Other public works										
Street resurfacing (miles)	3	2	3	2	6	17	16	15	6.3	4.9
Street repairs (miles)	16	16	18	25	25	20	20	20	20	20
Parks and recreation										
Athletic field events (18 facilities)	3,240	3,450	3,500	3,510	3,700	3,700	3,700	3,700	3,700	3,700
Community center visits (annually)	10,200	10,800	11,500	11,330	10,750	13,750	25,000	25,000	25,000	25,000
Library										
Volumes in collection (including multimedia)	60,192	63,160	65,280	62,950	61,290	63,608	64,960	65,097	64,626	63,430
Total volumes borrowed	156,000	146,882	149,602	150,410	155,943	151,369	156,058	156,468	136,689	146,703

Source: Various Town departments

Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Other Public Works										
Streets (miles)	96.0	96.0	99.0	99.7	99.7	99.7	99.7	99.7	99.7	99.7
Streetlights	226	226	226	226	226	226	227	227	227	227
Traffic signals	3	4	4	7	5	5	5	5	5	5
Parks and Recreation										
Acreage	180	180	180	180	180	180	675	675	675	675
Playgrounds	25	25	25	25	25	25	5	5	5	5
Baseball/softball diamonds	5	5	5	5	5	5	9	9	9	9
Soccer/football fields	13	13	13	13	13	13	13	13	13	13
Community centers	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	6.8	6.8	6.8	13.9	21.6	21.6	22.3	22.8	23.48	24.68
Storm sewers (miles)	50.8	51.0	51.0	51.5	51.7	51.8	51.8	51.8	52.0	52.0

Source: Various Town departments

Town of Brookfield, Connecticut

Federal and State Financial
and Compliance Report
Year Ended June 30, 2015

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RSM US LLP

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Program

We have audited the Town of Brookfield, Connecticut's (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Town's major federal programs for the year ended June 30, 2015. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 20, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New Haven, Connecticut
April 20, 2016

Town of Brookfield, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Grantor Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Education			
Passed through the Connecticut Department of Education:			
English Language Acquisition - 7/1/2013-6/30/2015	12060-SDE64370-20868	84.365	\$ 4,665
Title I - Grants to Local Education Agencies - 7/1/14-6/30/16	12060-SDE64370-20679	84.010	79,576
Special Education Cluster:			
IDEA Part B, Section 611 - 7/1/14-6/30/16	12060-SDE64370-20977	84.027	491,808
IDEA Part B, Section 619 - 7/1/14-6/30/16	12060-SDE64370-20983	84.173	19,873
Total Special Education Cluster			511,681
Vocational Education Act - Carl D. Perkins - 7/1/14-6/30/15	12060-SDE64370-20742	84.048	20,778
Improving Teacher Quality State Grants - 2014	12060-SDE64370-20858	84.367	3,218
Total U.S. Department of Education			619,918
U.S. Department of Transportation			
Passed through the Connecticut Department of Transportation:			
Highway Planning and Construction	12062-DOT57171-22108	20.205	25,422
Federal Highway Safety Grants	12062-DOT57513-20559	20.600	3,790
Distracted Driving Enforcement	12062-DOT57513-22394	20.614	6,317
Total U.S. Department of Transportation			35,529
U.S. Department of Agriculture			
Direct:			
National School Lunch Program - USDA Commodities	-	10.555	31,558
Passed through the Connecticut Department of Education:			
National School Lunch Program	12060-SDE64370-20560	10.555	96,720
Total U.S. Department of Agriculture			128,278
U.S. Department of Housing and Urban Development			
Passed through the State of Connecticut Office of Policy and Management:			
Community Development Block Grants/Entitlement Grants	12060-OPM20350-21921	14.218	256,689
U.S. Department of Justice			
Passed through the State of Connecticut Office of Policy and Management:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-OPM20350-21921	16.738	30,260
Total Federal Awards Expended			\$ 1,070,674

See Notes to Schedule of Expenditures of Federal Awards.

Town of Brookfield, Connecticut

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Brookfield, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in net position, changes in fund balances or changes in cash flows of the Town of Brookfield, Connecticut.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Note 3. Other Federal Assistance

The United States Department of Agriculture makes available commodities for donations to schools. An amount of \$31,558 is reflected in the expenditures column in the accompanying schedule of expenditures of federal awards under CFDA. No. 10.555 and represents the market value of such commodities received during the period.

The following is a summary of loan program activity for the year ended June 30, 2015.

U.S. Department of Environmental Protection: Drinking Water Program (DWSRF No. 2010-8001):

Issue Date	Interest Rate	Original Amount	July 1, 2014	Advances	Repayments	June 30, 2015
2/24/2010	2.06%	\$ 827,361	\$ 681,381	\$ -	\$ 681,381	\$ -

No other federal assistance was received in the form of loan guarantees or insurance.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs
For the Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | |
|---|-------------------|-----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> X </u> Yes | <u> </u> None reported |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over major programs:

- | | | |
|---|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> None reported |

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?

 X Yes No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
84.027/84.173 14.218	Special Education Cluster (IDEA) Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs

 \$300,000

- | | | |
|--|-------------------|-----------------|
| • Auditee qualified as low-risk auditee? | <u> </u> Yes | <u> X </u> No |
|--|-------------------|-----------------|

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015**

II. Financial Statement Findings

Finding 2015-001 Significant Deficiency in Internal Control Over Financial Reporting

Criteria:

The accounting records and financial statements are the responsibility of management and, accordingly, the Town should have internal control over financial reporting that provides reasonable assurance that the accounting records can be relied upon and used to prepare the basic financial statements and related notes to the basic financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition:

The Town's internal control over financial reporting does not provide reasonable assurance that the basic financial statements are prepared in conformity with GAAP. Specifically, we noted the following conditions in internal control:

- There are no formal monthly, quarterly or annual close-out procedures to ensure that accounts are reconciled and properly balanced periodically throughout the year and at year-end.
- Governmental Accounting Standards Board (GASB) Statement No. 34 conversion entries are not prepared by Town or Board of Education personnel.
- Bank reconciliations are not prepared on a timely basis.
- Audit adjustments are made subsequent to trial balances being presented for audit.

These conditions resulted in delays in financial reporting. The Town's internal control over financial reporting did not provide reasonable assurance that the basic financial statements were prepared in conformity with GAAP.

Effect:

It is unlikely that the Town would be able to prevent, or detect and correct, a potential material misstatement in the basic financial statements.

Cause:

The significant deficiency over financial reporting is caused by the lack of formal procedures for the monthly and year-end closing process.

Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015

Auditors' Recommendation:

We recommend that the Town develop and implement a comprehensive plan to overhaul its current system of internal control over financial reporting. Specifically, we recommend that the following matters be addressed by the plan:

- The development of monthly close-out procedures to ensure that all accounts are reconciled and properly balanced and recorded each month. The procedures should contain specific areas to be addressed and should assign specific staff members to those areas.
- Consideration of bringing the Town and the Board of Education under one general ledger system to make reconciling on a monthly basis more efficient.

Management Response:

The Town intends to take appropriate action in an attempt to remedy this deficiency in the future.

III. Federal Award Findings and Questioned Costs

CF2015-001 Federal Reporting Package

Criteria:

In order to comply with federal guidelines, the Town needs to file its Federal Reporting Package within nine months of year-end or thirty days after issuance.

Condition:

The Town did not file the 2014 federal reporting package with the Federal Audit Clearinghouse within federal guidelines.

Context:

The federal reporting package was not filed within federal guidelines, which resulted in noncompliance with OMB Circular A-133.

Effect:

The Town was not in compliance with federal guidelines, which could cause a reduction or loss in funding from federal grantors.

Cause:

The annual filing was not prepared timely.

Auditors' Recommendation:

The federal reporting package should be filed within OMB-133 guidelines.

Town of Brookfield, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2015**

Finding 2014-1: The finding relating to the Brookfield Public Schools over payments of reimbursements and employee benefits has been corrected and not repeated in the current year.

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brookfield, Connecticut (the Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 20, 2016. Our report includes an emphasis of a matter paragraph because of the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and question costs that we consider to be a significant deficiency (2015-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding CF2015-001.

Town of Brookfield, Connecticut's Response to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of federal findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM VS LLP

New Haven, Connecticut
April 20, 2016

**Report on Compliance for Each Major State Program; Report on Internal Control Over
Compliance; and Report on Schedule of Expenditures of State Financial Assistance
Required by the State Single Audit Act**

Independent Auditor's Report

To The Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Program

We have audited the compliance by the Town of Brookfield, Connecticut (the Town), with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management *Compliance Supplement* to the State Single Audit Act that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2015. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state single audit findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 20, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM VS LLP

New Haven, Connecticut
April 20, 2016

Town of Brookfield, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2015**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs		
Office of Policy and Management		
Direct:		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 269,652
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	93,610
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	30,459
Property Tax Relief for Veterans	11000-OPM20600-17024	9,428
Property Tax Relief for Totally Disabled	11000-OPM20600-17011	1,419
Municipal Reimbursement & Revenue Account	13046-OPM20600-35525	23,355
Total Office of Policy and Management		427,923
Department of Education		
Direct:		
Magnet School Transportation	11000-SDE64370-17057	27,000
Healthy Foods Initiative	11000-SDE64370-16212	12,334
Child Nutrition State Matching Grant	11000-SDE64000-16211	6,011
Adult Education	11000-SDE64000-17030	3,620
Health Services	11000-SDE64000-17034	7,203
Dev of Mstry Exams Gr 4, 6, & 8	11000-SDE64370-12171	9,900
Assessment Reduction Grant	11000-SDE64000-12171	7,470
Common Core	11000-SDE64370-12566	3,760
CCS Professional Learning Mini Grants	11000-SDE64000-12566	504
Total Department of Education		77,802
Department of Justice		
Direct:		
Judicial Fines and Fees	34001-JUD95162-40001	15,955
Connecticut State Library		
Direct:		
Connecticard	11000-CSL66051-17010	1,964
Grants to Public Libraries	11000-CSL66051-17003	1,158
Total Connecticut State Library		3,122
Department of Public Safety		
Direct:		
School Security Infrastructure	12052-DPS32183-43546	111,802
State Assets Forfeiture Revolving Fund - 2014	12060-DPS32155-35142	1,785
Total Department of Public Safety		113,587
Department of Public Health		
Direct:		
Children's Health Initiative	11000-DPH48766-12126	2,893
Department of Transportation		
Direct:		
Town Aid Road Grants	13033-DOT57131-43459	193,000

(Continued)

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2015

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs (Continued)		
Department of Economic and Community Development		
Direct:		
STEAP	12052-ECD46000-42411-149	\$ 122,898
Historic Document Preservation	12060-ECD46840-90455	5,000
Urban Action Bonds	13019-ECD46000-41236-093	750,000
Total Department of Economic and Community Development		<u>877,898</u>
Total State Financial Assistance Before Exempt Programs		<u>1,712,180</u>
Exempt Programs		
Department of Education		
Direct:		
Education Equalization Grants	11000-SDE64370-17041	1,430,333
Excess Cost - Student Based	11000-SDE64370-17047	819,522
Transportation of School Children - Public	11000-SDE64370-17027	8,106
Transportation of School Children - Non-Public	11000-SDE64370-17049	3,544
Total Department of Education		<u>2,261,505</u>
Department of Administrative Services		
Direct:		
Commitments for School Construction - Principal	13010-DAS27636-40901	288,488
Commitments for School Construction - Interest	13009-DAS27636-40896	6,769
Total Department of Administrative Services		<u>295,257</u>
Office of Policy and Management		
Direct:		
Municipal Revenue Sharing	12060-OPM20600-35458	23,355
Mashantucket Pequot Grant	12009-OPM20600-17005	24,761
Total Office of Policy and Management		<u>48,116</u>
Total Exempt Programs		<u>2,604,878</u>
Total State Financial Assistance		<u>\$ 4,317,058</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Brookfield, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Brookfield, Connecticut (the Town), under programs of the State of Connecticut for the year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including public safety, public works, and education.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The following is a summary of the more significant policies relating to the aforementioned grant programs.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting: The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2015.

Department of Energy and Environmental Protection: Clean Water Funds (6865-3100-888):

Issue Date	Interest Rate	Original Amount	July 1, 2014	Advances	Repayments	June 30, 2015
12/30/10	2.00%	\$ 3,747,082	\$ 3,083,500	\$ -	\$ 165,194	\$ 2,918,306

Town of Brookfield, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs
For the Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
 - Significant deficiency(ies) identified? X Yes None reported
- Noncompliance material to financial statements noted? Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? Yes X No

The following schedule reflects the major programs included in the State Single Audit:

State Grantor/Program	State Grant Program Core-CT Number	Expenditures
Office of Policy and Management		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 269,652
Department of Economic and Community Development		
STEAP	12052-ECD46000-42411-149	122,898
Urban Action Bonds	13019-ECD46000-41236-093	750,000
• Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

II. Financial Statement Findings

Refer to financial statement finding 2015-001 on page 6 of the accompanying Schedule of Federal Findings and Questioned Costs.

III. State Financial Assistance Findings and Questioned Costs

No findings or questioned costs are reported.

Town of Brookfield, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2015**

Finding 2014-1: The finding relating to the Brookfield Public Schools over payments of reimbursements and employee benefits has been corrected and not repeated in the current year.



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April 21, 2016

To the Board of Finance
Town of Brookfield, Connecticut

In planning and performing our audit of the financial statements of the Town of Brookfield, Connecticut, as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Brookfield's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Brookfield, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Brookfield, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following are descriptions of other identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

Asterisks (*) denote repeat findings from the prior year's audit.

WPCA – Vacation Carry-over:

Observation: One employee was approved to carry over more than the 40 hours of vacation time as allowed by the vacation time policy. There was no written documentation available to support the exception to the policy.

Recommendation: All employees should follow the vacation carry-over policy. If there is an exception to this policy the exception should be properly documented and approved by the appropriate parties.

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Management response: All employees will follow the vacation carry-over policy. If there is an exception to this policy, the exception will be properly documented and approved by the appropriate parties.

Accounts Payable at Year-end:

Observation: It was noted during our testing of subsequent disbursements that in certain instances, when invoices included services performed in June 2015 and July 2015, the entire invoice was recorded as a liability as of June 30, 2015.

Recommendation: All invoices that have services performed between the two fiscal years should be reviewed for proper cut-off and recording.

Management response: The Town Finance Office instructs all departments to identify service dates pertaining to invoices, particularly at year-end from July-August. For fiscal year 2014-15, a cut-off date for prior year invoicing was set at August 31.

Tax Revenue Reconciliation:

Observation: The Town does not reconcile the tax revenue recorded in the MUNIS system to the independent tax collector schedule on a monthly basis. This results in a significant amount of time spent at year-end close and required additional adjusting entries to be made.

Recommendation: The Finance Office, along with the Tax Department, should implement procedures to reconcile the amounts recorded in MUNIS to the amounts recorded on the Tax Collector schedule on a monthly basis.

Management response: The process of reporting tax collections in MUNIS on a monthly basis was discontinued several years ago. The Finance Office and Tax Collection Department implemented streamlined reconciliation procedures beginning with the 2013-14 fiscal year. Each month, the Tax Collector sends the Town Controller the batch reports taken directly from the quality tax collection database. These reports are cumulative from the start of the fiscal year to the present date. The Town Controller assembles all of the tax collection, refund and bounced check data into a sortable database, which is used to fully reconcile to bank statements. The data is used to report to the Boards of Selectmen and Finance on a monthly basis. Entries are not required to be entered in MUNIS on a monthly basis for tax collections. Only tax refunds, which are generated through the Town AP process are reflected on MUNIS as they are paid. This process has saved hundreds of working hours of reconciliation between the Tax and Finance Departments. At year-end, the Finance Office makes MUNIS entries to reflect the prepayments and accruals required to meet the CAFR reconciliation guidelines for reporting tax receipts and conforming to the Tax Collector's report. Due to staff limitations, timing issues and differing reporting requirements between the Finance Office and the Tax Collector, reconciliation on a monthly basis has been deemed counter-productive.

Student Activity Funds:

Observation: It was noted during our testing that the various student activity funds do not have formal documentation regarding the source of funds, the allowable expenditures for each fund and a policy to review if the purpose of funds meet the definition of an agency fund.

Recommendation: The School Department should perform a detailed review of each student activity fund and document what each fund's purpose is and determine if each fund meets the definition of an agency fund.

Management response: The School department will address the documentation, purpose and definition each fund.

SEDAC-G Adjustment Form:

Observation: It was noted during our agreed upon procedures that the SEDAC-G Adjustment form was not updated for actual costs.

Recommendation: The School Department should update this schedule with actual costs before the September 1st deadline.

Management response: Management concurs.

*** Capital Assets:**

Observation: Capital assets are maintained in an excel file and are updated on an annual basis.

Recommendation: It is recommended that the Town implement a formal capital asset reconciliation policy and ensure reconciliation with the BOE is performed.

Management response: The Town's capital asset reconciliation has been performed in a consistent manner with prior audited years. The Town purchased a MUNIS fixed asset module in the fall of 2014 and has been working to incorporate its use into fixed asset reconciliation and inventory control. We are hopeful that the Town and Education Finance Departments will adopt a similar operating system, which will enable asset control to be incorporated into reconciliation.

*** Town/BOE Reconciliation:**

Observation: The Town's accounting system reports the total expenditures against the Board of Education's budget. The Board of Education's Finance Department keeps the subsidiary journal. It was noted that the Town and the BOE do perform reconciliations during the year; however, the process could be done in a more efficient and timely manner. In addition, the Town and the BOE currently use different general ledger software systems.

Recommendation: It is recommended that the Town and the BOE reconcile on a monthly basis. Also, the Town and the BOE should consider the benefits and efficiencies of using the same general ledger software system.

Management response: The Town and BOE have agreed to operate on one accounting system and database. This movement to the same general ledger software system will be addressed in phase 3 of the Financial Operational Controls Assessment, which is currently underway.

*** Accounting Policies and Procedures Manual:**

Observation: The Town does not maintain a formal written accounting policies and procedures manual outlining reporting responsibilities and describing the steps involved in processing transactions, including the usage of the Town's computer system.

Recommendation: We recommend that the Town formulate an accounting policies and procedures manual. The manual would improve the ability to maintain continuity of operations during any absences of personnel responsible for accounting and financial administration. It would also be useful in the training of new personnel. In addition, the manual would help to document the internal control structure and would assist in identifying opportunities to enhance segregation of duties.

Management response: The Town accounting and financial administration staff consists of one (1) accounts payable clerk, one (1) payroll clerk, one (1) accounting supervisor and one (1) controller. The steps involved in processing transactions start with the processes outlined in the purchase order process above and conclude with the accounts payable clerk, payroll clerk or accounting supervisor, as dictated in the approval sequence in the MUNIS system. The accounts payable clerk handles all payment requests. The payroll clerk handles all payroll-related transactions. The accounting supervisor handles all journal entries, bank reconciliations and funding requests. The accounts payable clerk, payroll clerk, and accounting supervisor have been cross-trained to fill in for each other on a temporary basis when needed. However, segregation of duties is encouraged for auditing and control purposes. All transactions are thoroughly reviewed by the Controller on a daily and monthly basis. The Town has a purchasing policy in place.

The Financial Operational Controls Assessment will address the need for an accounting policy and procedures manual as it pertains to the migration of the Town and School to a single financial operating system.

*** Formal Risk Assessment Process:**

Observation: The Town does not maintain a formal risk assessment process. This process is a vital tool that can be utilized to identify fraud risk and internal weaknesses that could lead to potential fraud.

Recommendation: We recommend that the Town formulate a formal risk assessment process. The process would improve the Town's control structures, and would allow for the Town to be proactive in identifying and addressing fraud risk.

Management response: In December 2015, the Town drafted a fraud policy that is currently being reviewed by labor counsel.

*** Segregation of Duties - Vendor Access:**

Observation: During our understanding of the purchasing process, it was noted that the accountant who enters the vendors is also the employee who prints the checks, and that there was no review of check registers prior to printing.

Recommendation: It is recommended that the Town segregate the adding of vendors to someone independent of check printing or implement a review procedure to mitigate the risk of adding fictitious vendors.

Management response:

Town: The Controller reconciles the check register to the accounts payable on a regular basis. The Controller thoroughly reviews all payment requests and payments made to vendors. No payment can be made to any vendor on the Town side without a Departmental Supervisor, Accounts Payable Clerk and Controller approval. No payment request can be processed without adequate supporting documentation attached to the request in the MUNIS system. The Controller and the Accounting Supervisor reconcile all check payments with the bank. Copies of all checks processed and paid are provided by the bank each month. Given staff limitations in the Town, assigning another separate, independent person to enter vendors or review all printed checks seems to be unreasonable.

Education: The Business Manager reviews and signs all invoices prior to the checks being processed. In addition the Business Manager signs all check registers both for payroll and vendor payments. In addition, the Business Manager now approves all new vendors prior to being added to the financial software system.

*** BOE Purchasing Policy:**

Observation: It was noted during our testing that the BOE utilizes a decentralized approach to purchasing. Each school is responsible for their own purchasing and submitting the received invoices to the Central Office for payment. This resulted in long gaps between when the School received an invoice and when the Central Office received it for payment.

Recommendation: It is recommended that the BOE implement the policy that all invoices must go directly to the Central Office.

Management Response: The BOE currently has a purchasing policy in place, and the Board approves all expenditures of \$1,000 and above. The BOE has and will continue to follow its own policies pertaining to purchasing.

We appreciate the cooperation and courtesy extended to us by Town of Brookfield, Connecticut and the Board of Education personnel during the course of the audit.

This report is intended solely for the information and use of the Board of Finance and management of the Town of Brookfield, Connecticut and is not intended to be, and should not be, used by anyone other than those specified parties.

RSM VS LLP